



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, March 11, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Monday, March 11, 1957

First report, standing committee on labour, Mr. Morningstar	913
Municipal Drainage Act, bill to amend, Mr. Warrender, first reading	913
Estimates, Department of Agriculture, Mr. Goodfellow	915
Township of Crowland, bill respecting, Mr. Root, second reading	941
City of Windsor, bill respecting, Mr. Davies, second reading	941
Town of Fort Frances, bill respecting, Mr. Noden, second reading	941
Erin Fifth Line Union Church in the township of Erin, bill respecting, Mr. Root, second reading	941
United Church of Canada, bill respecting, Mr. Grossman, second reading	941
Hamilton Health Association, bill respecting, Mr. Child, second reading	942
City of London, bill respecting, Mr. Cowling, second reading	942
City of St. Thomas, bill respecting, Mr. F. S. Thomas, second reading	942
Training Schools Act, bill to amend, Mr. Scott, second reading	942
Nursing Act, 1951, bill to amend, Mr. Phillips, second reading	942
Private Hospitals Act, 1957, bill intituled, Mr. Phillips, second reading	942
Junior Farmer Establishment Act, 1952, bill to amend, Mr. Goodfellow, second reading	942
Farm Products Marketing Act, bill to amend, Mr. Goodfellow, second reading	942
Local Improvement Act, bill to amend, Mr. Warrender, second reading	942
Fire Guardians Act, bill to amend, Mr. Warrender, second reading	942
Public Utilities Act, bill to amend, Mr. Warrender, second reading	943
Municipal Subsidies Adjustment Act, 1953, bill to amend, Mr. Warrender, second reading	943
Medical Act, bill to amend, Mr. Phillips, second reading	943
Public Hospitals Act, 1957, bill intituled, Mr. Phillips, second reading	943
Conservation Authorities Act, bill to amend, Mr. Nickle, second reading	943
Planning Act, 1955, bill to amend, Mr. Nickle, second reading	943
Teachers' Superannuation Act, bill to amend, resolution concerning, Mr. Dunlop, second reading	943
Gasoline Tax Act, bill to amend, resolution concerning, Mr. Porter, concurred in	943
Teachers' Superannuation Act, bill to amend, resolution concerning, Mr. Dunlop, second reading	944
Fire Marshals Act, bill to amend, resolution concerning, Mr. Roberts, concurred in	944
Logging Tax Act, bill to amend, resolution concerning, Mr. Porter, concurred in ..	944
Township of Scarborough, bill respecting, Mr. Warrender, referred back to private bill committee	944
Motion to adjourn, Mr. Frost, agreed to	953

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER
Roderick Lewis, Q.C., Clerk

MONDAY, MARCH 11, 1957

3 O'CLOCK P.M.

THE MUNICIPAL DRAINAGE ACT

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. E. P. MORNINGSTAR: Mr. Speaker, I beg leave to present to the House the first report of the standing committee on labour and move its adoption.

CLERK OF THE HOUSE: Mr. Morningstar presented the first report of the standing committee on labour as follows:

Your committee begs to report the following bills with certain amendments:

Bill No. 137, An Act to amend The Labour Relations Act.

Bill No. 138, An Act to amend The Industrial Standards Act.

Your committee begs to report the following bills without amendments:

Bill No. 139, An Act to amend The Factory, Shop and Office Building Act.

Bill No. 140, An Act to amend The Department of Labour Act.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

Hon. W. K. Warrender moves first reading of bill intituled, "An Act to amend The Municipal Drainage Act."

Motion agreed to; first reading of the bill.

He said: In section 1 of this proposed amendment, public utility is re-defined for the purpose of the provisions of the Act providing for the assessment of pipe line companies and other utilities for any increase in the cost of constructing a drain by reason of the construction and operation of a public utility.

In section 2, at present, improvements may be made to a drainage work without the report of an engineer where the cost does not exceed one-fifth of the cost of the construction, and in any case does not exceed \$800. The limit of \$800 is removed.

HON. L. M. FROST (Prime Minister): Mr. Speaker, before the orders of the day, I would like to advise the House of a night session tomorrow night, Tuesday, and also on Thursday night. Today we will be proceeding with the estimates of The Department of Agriculture. But prior to that, I would like to deal with a few items on the order paper.

On Tuesday, we will be taking the balance of the estimates for The Department of Education, and for the hon. Provincial Secretary's Department, and at night there will be debates on the speech from the Throne, the Budget,

and the reports of both the committee on air pollution and smoke control, and the committee on toll roads. Any of those may be called, depending upon the convenience of the hon. members.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I wonder if the hon. Prime Minister would consider the House going into session at two o'clock in the afternoon? There have been many days when hon. members of the Legislature are just kicking their heels around from one o'clock to two o'clock, and I think if we went into session at two o'clock, it would save one or two night sessions.

HON. MR. FROST: Mr. Speaker, I had thought of doing that, beginning next week. There are still a number of committees with quite heavy agendas, and I have not wanted to crowd too much in. It would mean, in some cases, it will be necessary to forego lunch in order to carry on with the work of the House. As a matter of fact, I have the motion prepared but did not expect to introduce it until the end of the week, and the two o'clock sessions could start next Monday.

MR. H. C. NIXON (Brant): Mr. Speaker, it is with regret that I advise you that my dear friend, the hon. Leader of the Opposition (Mr. Oliver) is indisposed. I do not know how seriously ill he is, but the hon. Minister of Health (Mr. Phillips) is now with him, and possibly he could give us further information upon his return. I know all hon. members will join with me in hoping that the hon. member's illness is not serious.

HON. MR. FROST: Mr. Speaker, we are very sorry to hear that, and we hope it will not be serious, and that the hon. Leader of the Opposition will be back with us very shortly.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the House this afternoon the students

from Havergal College, Toronto, who are here to view the proceedings of the assembly.

MR. D. C. MacDONALD (York South): Mr. Speaker, before the orders of the day, I have a film recording of some of the history of the strike in northwestern Ontario which I now formally present to the hon. Attorney-General (Mr. Roberts). He will see, from that, what it looks like to have a concentration of 17 police cruisers, with scores of policemen, keeping a few picketers under careful surveillance.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

MR. NIXON: Mr. Chairman, did I understand the hon. Prime Minister to say that we were dealing with agriculture today?

HON. MR. FROST: That is right.

MR. MacDONALD: Can we not be notified of changes like this?

HON. MR. FROST: That was announced last Friday.

MR. MacDONALD: No, we were advised we would complete the estimates of The Department of Education, and then go to The Department of Agriculture.

HON. MR. FROST: No. I stated we would take The Department of Education on Tuesday. I pointed out last Thursday, when we went overtime on The Department of Education estimates, that we would take them up again on Tuesday. I announced both

of these: The Department of Travel and Publicity estimates on Friday, and the estimates of The Department of Agriculture today.

MR. R. WHICHER (Bruce): Mr. Chairman, according to *Hansard*, it says:

We will go back to The Department of Education at the beginning of the week, either Monday or Tuesday.

No sign of agriculture.

HON. DANA PORTER (Provincial Treasurer): On Friday, Mr. Chairman, I announced that we may go on with The Department of Education estimates and probably with The Department of Agriculture estimates on Monday; that is the way I put it.

ESTIMATES, DEPARTMENT OF AGRICULTURE

HON. W. A. GOODFELLOW (Minister of Agriculture): Mr. Chairman, before proceeding with the consideration of the estimates for The Department of Agriculture, I feel I should make a few observations in connection with the work of the department insofar as agriculture, in general, is concerned.

I would like, first, to pay a tribute to two predecessors of mine who are held in very high esteem by the farm people of the province of Ontario. I refer to the hon. member for Peel (Mr. Kennedy) who served as hon. Minister of Agriculture during two or three regimes, and who is still considered to be a friend of the farm people in the province of Ontario.

In assuming this portfolio, I made one observation: I would never try to foresee or make an estimate of the damage or benefit that might accrue from a rainfall as long as the former hon. Minister of Agriculture was around, because no matter what the present Minister of Agriculture might

say in respect to making an estimate, the observations of the hon. member for Peel as to how many millions of dollars of benefit, or how much damage, was done by any particular rainfall, would still be very authentic.

I do want to pay tribute to the hon. member for Elgin (Mr. F. S. Thomas) who served us well as hon. Minister of Agriculture with his great background and experience as a civil servant for many years. I am sure it is the wish of the hon. members of the House that he will soon regain his health, in order that he may still play an important part in the affairs of the people of the province of Ontario.

I found, on assuming the portfolio of agriculture, that, due to the wisdom and judgment of my predecessors, I am surrounded by a very competent group of top civil servants in that department. At this time I want to pay tribute to them for the job they are doing for agriculture in Ontario. I sometimes think no other department is as fortunate as is The Department of Agriculture, inasmuch as there is a vast training ground from which to choose officials for the various branches of the department.

Last year, Dr. C. D. Graham, the Deputy Minister, was honoured by having conferred on him an honorary degree, and honours have been conferred on others of the staff in various fields across the province.

Although it is not necessary to mention it to those hon. members connected with agriculture, last year was a very discouraging year, indeed, for farmers on the whole across the province. Due last year to weather conditions beyond their control, the lateness of the season and harvesting weather, many crops were lost, and in addition the crops which were harvested had a very low food value.

There are many things which we are able to do in this department for the province of Ontario. There are many things we have been able to develop through the years. But, at the same

time, many things which a great many people think we should be able to do are, as the hon. members will quite readily understand, outside the jurisdiction of any provincial government.

I do want to say it will be my endeavour, while I am permitted to serve in this capacity, to follow the policies established by my predecessors. I will, at all times, try to keep the department streamlined to meet the ever-changing conditions of agriculture in the province.

In the last few months we lost the services, through retirement, of a very valuable public servant, whom a great many hon. members know—the former assistant Deputy Minister, Mr. John Carroll. I might say, to fill the position which he vacated, Mr. J. A. Garner has been promoted from director of extension to that of chief agricultural officer of the department.

We have also reorganized the extension branch by bringing in a young man (Mr. Bennett), assistant agricultural representative from Halton county, as a junior director in the extension branch, whose duties will be to direct junior farm and 4-H club activities in the province. When one reaches middle age, one is considered by young people to be an old man, so it was felt essential, in that department, to train a young man to direct these activities among the young farm people of the province.

We are also reorganizing several branches. The statistics and publications branch will be done away with. Statistics which can normally apply and be very closely allied to economics will be incorporated in the economics branch of the department.

Publications will be established under a new branch to be known as the public relations and publications branch of The Department of Agriculture. It is our feeling that we have a mass of information which is acquired and accumulated through the various branches of the department, and also from our institutions at Guelph and other places. We sometimes wonder whether that informa-

tion is being sufficiently disseminated to the farm people of the province, where it can be of most value to help this department keep the farm people conversant with those changes which are taking place.

The information will be distributed to them through this branch, through the press, radio, television and publications themselves.

No one can under-rate the value of research in agriculture. In my opinion, research is possibly the most important factor in connection with the development of agriculture in the years that lie ahead. With that in mind, we are intending to promote and extend our research in all phases of agriculture in this province.

That development will be tied in very closely with extension, because it is one thing to carry out, secure and formulate factual information through research; but this is of value only when it is distributed to the farmers themselves to assist in their day-to-day problems.

I think marketing has been neglected to some extent insofar as agriculture is concerned, yet we have made great strides during the tenure of office of the hon. member for Peel, when he was Minister of Agriculture. He gave to the farm people of this province the necessary legislation to point out to the farmers in this province that, through organization and collective bargaining, they could place themselves in a better position. Farmers are individualists, first, last and always, but I do feel the farm people of this province realize their strength lies in organization through their commodity groups and through sound, progressive marketing legislation. They realize these things can place them in a position to bargain for themselves.

Much has been done, there is no question about that, and great advances have been made with emphasis and stress placed on production. But production is only one phase of agriculture; it is one thing to produce and another matter to sell that product to advantage.

I feel, perhaps, one of the greatest jobs we can do, in extension, in The Department of Agriculture is by expanding our junior farmer and junior 4-H club work. Included in club work last year in Ontario were over 21,000 young farm people. I believe any 4-H club work and junior farmer activities are important, because therein lies the interest and success, in the great vocation of farming, of our future farmers in the province of Ontario.

It seems to me that we must assist in every way possible in our extension branch to help our farmers towards better farm management practices.

Those of us who have been closely connected with agriculture, down through the years, have noticed it was not always the farmer who worked the longest hours, or the farmer who worked the hardest, who seemed to be most successful at the end of the year's operation.

I believe we have a part to play as a department in promoting, through extension, farm management courses to assist the farmers in discovering shortcomings in their operations and ways and means of coming out on the right side of the ledger in a better position than many have been doing through the years which have passed.

I should mention the Ontario telephone authority, since I notice there is a question on the orders of the day in connection with the authority, which comes under the jurisdiction of The Department of Agriculture. I would like to say to the hon. members of this House that the telephone authority was established under the Act some two years ago, for the purpose of assisting and co-ordinating small independent telephone systems in the province of Ontario.

One of the main reasons the authority was set up was to improve telephone service in the rural areas, which were serviced by small, inefficient companies and systems. Many of these systems were ready to go out of business, because improving the service meant complete

rebuilding and restoring the plants. The telephone authority has encouraged some of these systems to rebuild their plants and install modern equipment, and where there was not the ready capital or necessary investment, the system was encouraged to sell to a larger company which could serve the area.

During 1956, a total of 30 systems ceased to operate for various reasons. The areas affected, now being served by larger systems, both Bell Telephone and independents, as of December 31st, were:

Some 384 independent systems operating in the province as compared to 465 as of December 31, 1953, due to a great extent to the establishment of the authority. A number of other systems have completed negotiations for the disposal of their system, but have not actually ceased operations. It is expected this trend will continue.

A special statistical report is not available from the telephone authority for the year 1956. The return from the companies will not be available until after April 30th.

However, I think the House might be interested to know that in the 3 years since the telephone authority came into being, they have assisted in negotiations for the merging of the small, unprofitable, inefficient, independent telephone companies to the extent of 81, which have been merged or amalgamated in the 3-year period.

As far as the Madawaska telephone system is concerned, which serves a large part of the North Hastings and South Renfrew area, great improvements have been made in what were formerly many broken-down systems, some of which had reached the point where no service was being given. It has been to some extent an experiment on the part of the government in amalgamating some 12 or 13 systems into one company, to try to give those people good standard telephone service. The mining development in the Hastings area, particularly near Bancroft, will

in our opinion be a great asset to the Madawaska telephone system. The development which has taken place is bound to continue for many years ahead.

I would like to say just a few words in respect of the junior farm loan corporation which recently has been transferred from the hon. Provincial Treasurer's Department to The Department of Agriculture.

These junior farm loans, as hon. members of this House know, were made available 3 years ago through an Act of the Legislature in order to make the money available to junior farmers and bona fide young farmers in the province of Ontario, and in a period of 3 years I might say it has been taken advantage of to the extent that as of January 31st, this year, 2,067 junior farmers had qualified for loans for a total amount of \$14,051,000. In that period of time, \$1,215,000 has already been repaid.

To hon. members of the House who sometimes are concerned with the fact that certain junior farmers in their own constituency may have had their applications for loans refused, I believe the board on the whole has exercised very good judgment in the granting of these loans. Applications are subject to review, and it is the wish of the board to endeavour to assist these junior farmers. They were established to give, to these young men between the ages of 21 and 35, an opportunity to secure loans at a comparatively low rate of interest to establish themselves on farms.

I may say to hon. members of the House who, from time to time, contact the board or our department, that it may have been some of the applications should have been reviewed. My own opinion is, possibly originally 80 per cent. of the appraised value of the farm was too high to do justice or to do a kindness to a junior farmer who had very little other assets and was applying for a loan of 80 per cent. of the appraised value of the farm.

Hon. members of this House who farm, and who have worked under a mortgage, will appreciate that it is most difficult to work under an 80 per cent. loan. Therefore, it is felt advisable that consideration be given to reducing the amount of loan available from 80 to 65 per cent., which I might say, conforms with the federal Farm Loan Act. Our experience has been, in the granting of these loans, that actually the board has granted only approximately 63 per cent. of the amount applied for. In practice it would make practically no difference to the present administration, and I believe these junior farmers would be in a much stronger position.

It is all very well for a young man who is enthusiastic, and many of us were much more enthusiastic in former days than we might be today, but once a young farmer has to make the payments on the principal of those loans, he experiences some difficulty. Far be it from us to discourage any young farmer by granting him a loan beyond what he can expect to make payments on, and discourage him from being a farmer in the years ahead.

I believe that we should screen these applications very carefully. We should go a step further, and are now making plans, and have already retained the services of two people who have had experience in farm loan business to act as supervisors to assist some of these junior farmers who find themselves in arrears of payments.

In spite of the fact that many hon. members might feel that the board had a very tight policy in connection with the granting of loans, I am sorry to report to the House that many young farmers found themselves delinquent in their payments in 1956. Rather than take legal proceedings in order to collect those arrears, I feel it is advisable that, first, we have a qualified supervisor contact these men, look over their farming operations to advise and assist them, if possible, in order that they can continue and that the loan will be solvent.

I believe if we can salvage these young farmers, we will be doing much to assist them in their work.

I want to say a few words in connection with the institutions which presently come under the jurisdiction of The Department of Agriculture. I shall refer first to perhaps the greatest agricultural institution to be found anywhere, and that is the Ontario Agricultural College, which has done a great job in assisting agriculture not only in Ontario and Canada, but through the graduates from that institution, has assisted the industry in other countries as well.

I might say that the Ontario Agricultural College has developed greatly, and we as a government, the people of Ontario, have a very great investment in the Ontario Agricultural College and in the other two institutions, Macdonald Institute and the Ontario Veterinary College.

This government from 1950-1951 to the present time has increased its allotment for the operation and maintenance of the Ontario Agricultural College alone, from the 1951 estimates of \$2,096,000 to today's expenditure of \$3,971,000, which we are asking this Legislature to approve.

I do not know whether credit is due to the advisory committee or not, but it just happens that the former figure was the estimate the year before the advisory committee came into being, and this recent figure, some 7 years later, which we present to the House today, is making provision for an expenditure twice that which was spent in 1950-1951.

Some 60 per cent. of the expenditures we are asking this House to approve are for salaries. Remember this, approximately \$4 million in our estimates this year is only for operation and maintenance of the Ontario Agricultural College. In addition to that there is a very large capital expenditure programme outlined for the institutions at Guelph. This year the hon. Minister of Public Works (Mr. Griesinger), I believe, has some \$4 million alone for those institutions for the current year.

The hon. member for Oxford (Mr. Innes) in his remarks to the House mentioned the fact that possibly this advisory committee might be considered to be political. I do not know just what the hon. member referred to, but I must say that, in my opinion, we would find difficulty in selecting a more outstanding group of people who are interested in the agricultural industry having more experience and better qualifications than the present advisory board.

I want to assure hon. members of this House that, as far as I am concerned, they are not political in nature, but they were appointed to do a job of finding out and discussing the needs of the various institutions at Guelph, and through their joint advisory board making representations and recommendations to The Department of Agriculture.

I have been very much impressed, during the short time it has been my privilege to be Minister, at the contribution they are making as evidenced by the resolutions and suggestions which they have made for the development and improvement of the various institutions at Guelph.

Some mention was made in the House of appointing a board of governors. It would naturally follow that, if consideration were given to the establishment of a board of governors, then the various faculties at Guelph would in the fulness of time become another university in the province of Ontario. This is a matter that has been given some preliminary study, but, as Minister, I do want to point out, on behalf of the farm people of Ontario, that regardless of any consideration which is given to the changing of the status of those agricultural institutions at Guelph, they must always retain their agricultural influence and the importance of agriculture.

If a university were established, then I assume consideration might be given whereby field husbandry, animal husbandry, agriculture, dairying and other departments, at Guelph which are primarily and almost entirely agricultural in nature, might very well

be retained as part of the extension work of The Department of Agriculture, if and when it is considered advisable to grant university status to the institutions at Guelph, if any consideration were given to extending those faculties to other fields which might be considered as closely allied to some extent, at least, with agriculture itself.

I would repeat that the institutions at Guelph have always been considered by the farm people of this province as belonging to agriculture, and I feel in the future interest of agriculture it is necessary that that status be retained, and any additions would be over and above the primary importance which agriculture has in those institutions as we have them at the present time.

I want to pay tribute to the personnel of those various institutions, and also our two schools at Kemptville and Ridgetown, which are giving valuable practical courses to future farmers in the province of Ontario. I feel they are fulfilling a very useful purpose in respect to agriculture in the days that lie ahead. I would also like to pay tribute to Vineland, which I have had the privilege of visiting on several occasions during the past year, and which has made a great contribution to horticulture in the province of Ontario during these 50 odd years since it came into being.

The government was donated a very valuable farm on the outskirts of Sault Ste. Marie last year, and since it was stipulated that the farm was to be used for some government purpose, for the time being at least, it has been delegated to The Department of Agriculture, and is our intention to stock that farm with beef cattle.

It is the policy as soon as possible to stock the farm at New Liskeard also with beef cattle. We feel there is a great future in northern Ontario in the grass they are able to grow, and that possibly the greatest contribution we can make to the development of agriculture in the north is to carry on experiments, research and development of beef production.

Sometimes there is a misunderstanding in connection with what the provincial Department of Agriculture of Ontario, or the federal Department of Agriculture might be responsible for, insofar as agriculture is concerned. I feel there should be no overlapping and no misunderstanding. I believe a close study should be made of the duties and responsibilities of those two departments, provincial and federal, so that those jurisdictions will be clear-cut as to what lies within the responsibility of our own department provincially, and what rightfully might be called the responsibility of the federal government.

As I see it, some of those things which rightfully come within the scope of our own provincial department are research extension, marketing, promotional work, production, selling the consumer, farm management, and what have you. I believe those are things which we are doing, and which we should promote and develop, to assist the farmers of this province to do a better job for themselves in the production and the selling of the products of the soil.

Some mention has been made in this House of the inquiry by a select committee or by some commission into the price spreads which exist between the producer and consumer. We are fully aware, as are the hon. members of the House, that there is a widespread price spread between what the farmer receives and what the consumer pays. But I am sure that hon. members would realize that any price spread inquiry could be conducted only at the federal level, because of the widespread application of farm commodities across the various provinces of Canada.

I believe there is a need and a place for an inquiry into the price spread between what the farmer receives and what the consumer pays in the Dominion of Canada at the present time. It may be that the consuming public have accepted and have become acquainted with purchasing parcels which are fancy-packed, and those things add to the cost to the consumer. But it does give us all concern regarding a simple farm com-

modity like potatoes, when the farmer receives just a little less than 50 cents of the consumer's \$1 for the potatoes, which really requires very little from the time it is produced and stored until it is placed on the consumer's table.

We should have realistic floor prices in this country. I believe in support prices, not to point where we would subsidize the inefficient farmer, but where we would protect the average, good farmer by realistic floor support prices.

It was suggested by the Gordon commission that the farmers of Canada are entitled to the same degree of protection that industry has been afforded in this country of ours. I believe there has been a tendency towards a cheap food policy at the expense of agriculture in this province for a great many years, and it is something which deserves attention before the agricultural industry reaches the point where it cannot be resurrected, so to speak.

The farm people of this country received, last year, 7 per cent. of the national income, compared with 12 per cent. which they received 5 years ago. That is a serious drop, and I am sure hon. members, whether they represent rural constituencies or urban ridings, will appreciate that the farmer is not enjoying his share of the national economy in comparison with the investment, effort and long hours which he puts into his operation.

I am sometimes concerned about the tendency toward what might be called "dumping" taking place on our Canadian markets, which, during certain seasons of the year, affects the prices received by our producers of primary products. In certain countries, including a neighbour of ours, there is apparently a two-price system. They uphold the economy of the industry by selling to their own domestic demand at more or less a parity price of what the producer should receive. But the surpluses are sometimes sold at a price below the cost of production, and are subsidized by the government. Their two-price

system cannot help but work a hardship on many primary producers in this country of ours.

I sometimes wonder if we should not consider a two-price system ourselves, or whether we should consider possibly disposing of those so-called surpluses of this country by giving them to "have-not" people, or, if not giving them, distributing them to these people at nominal prices which they can afford to pay, because, in my opinion, food is the greatest ammunition for peace that we have in this world today.

Money spent on distributing surpluses, which we have, to people who "have not" would be money spent to better advantage, and be a much better investment than possibly spending it on guns and letting people go hungry.

MR. H. C. NIXON (Brant): Mr. Chairman, very frankly, I am not prepared to discuss the estimates this afternoon. The hon. Provincial Treasurer said that, last Friday, he stated we would be taking agriculture today. I did not hear that, myself, and I was not out of the House one moment all afternoon from start to finish. Possibly *Hansard* will show he did say that, but certainly we were not expecting it.

HON. MR. PORTER: I think I said "probably" agriculture.

MR. NIXON: We expected The Department of Education estimates would be up this afternoon.

MR. MacDONALD: We all hear wrongly over here; we cannot understand the English language.

MR. NIXON: I know the business of the House must be set out by the leader of the House, and if other matters prevented the discussion of The Department of Education estimates, I am not going to protest unduly. Also, of course, I am most sorry that the hon. Leader of the Opposition is not able to be present this afternoon, because I do

know that he intended to give a great deal of consideration and debate to these estimates. Of course, the business of the House cannot be held up either, for the illness of any hon. member, and must proceed.

I want to congratulate the hon. Minister on his remarks on the estimates, which he has just concluded. I want to congratulate him also on his appointment to this vitally important portfolio—that of agriculture. We have watched his progress in this House from a private hon. member through some 3 or 4 other departments, and, like myself, I know his heart has always been in agriculture. I am hoping for great things from him as hon. Minister in that department.

It was with great regret to me that his predecessor, through illness, was forced to give up the portfolio of agriculture. I have known the hon. member for Elgin for many years, and always had a great admiration for him, and for his ability and capacity to do work.

I was a member of the government in 1921 which gave him his first job in the public service. I have watched his career as one of the outstanding district representatives of Ontario, and, finally, as an hon. member of this House. It is one of the first requisites of successful administration or command, that one must have good health, and I am very much pleased indeed to see how the health of the hon. member has been restored, and he is able to be with us more regularly this session.

These estimates which are placed before us total some \$13,395,000 out of a total estimate of \$820 million, and I suggest to the hon. Minister that when he says farmers should get a larger share of the national income, it may be that they should get a larger share of the provincial budget.

We have, under previous administrations seen where the hon. Provincial Treasurer divided up his budget, his estimates of expenditure, into a sort of pie which he cut into various segments; so much for the different departments of

government, and the smallest segment of all was always the amount voted to agriculture, which got down to about two per cent.; in fact, the piece was so small that I had to put on my bifocal glasses to see what it was.

Under this new estimate, that percentage is even less, and while I do not have the present hon. Treasurer's piece of pie divided up before me, my recollection is that in his budget he sort of bunched together the expenditures of agriculture and the expenditures of education. Is that not so?

HON. MR. PORTER: Mr. Chairman, the amount spent by The Department of Agriculture is by no means representative of the total amount of money that is spent by this government in the interests of the agricultural economy, and of the farmer. The hon. member knows that.

MR. NIXON: Would the hon. Treasurer please answer my question? I asked if it had not been bunched together with education.

HON. MR. PORTER: Yes, there was that.

MR. NIXON: The hon. Provincial Treasurer can talk all over that—

HON. MR. PORTER: I know, but the hon. member is completely distorting the picture.

MR. NIXON: I am not doing so. I will bring in the budget at my own convenience and show it to the hon. Provincial Treasurer.

HON. MR. PORTER: Yes, but that does not give any indication of what the government is doing for the agricultural economy of this province.

MR. NIXON: It certainly does. I do not know what in the world would, if that does not. Many of the expenditures credited to agriculture certainly never get back to that industry. People can count on a few hands the number

of graduates of the college who come back into farming today; they go into all kinds of industry.

I was talking to a gentleman yesterday who graduated the same year as I from the Ontario Agricultural College, and he is a top-notch man with the Imperial Oil Company, and I can give hon. members a score of others, so let the hon. Provincial Treasurer not try to tell me that sort of thing. I do submit that this government could very well indeed set aside a larger proportion of its budget for the direct encouragement of agriculture.

HON. L. M. FROST (Prime Minister): Mr. Chairman, on Thursday last we considered the estimates for rural hydro, and it was nearly \$10 million, and that is not in these estimates. There are for municipal roads about \$53 million, a large portion of that, the higher percentage is for rural Ontario. There are the estimates of The Department of Education, the Ontario Agricultural College, and when hon. members look at the picture that way, with the estimates of each department, I suppose the estimates which would run directly to the agricultural people in this province might approach \$75 or \$80 million.

MR. NIXON: Mr. Chairman, let me take the very first one which the hon. Prime Minister has mentioned, the estimate for rural hydro. Has the hon. Prime Minister any idea as to how much of that goes to the farmers?

HON. MR. FROST: A very large proportion.

MR. NIXON: A very small proportion. Rural hydro primarily serves the people who go out and build houses on two acres of land, who want to live in the country, so let us not think for a moment that the \$9 million is going to the farmers.

HON. MR. FROST: If that is so, just remember the increased prosperity that results to the agricultural com-

munity. In all these cases, there is little in the way of services that the municipality gives, since sewage and water supply and other such services are taken care of by the owner himself, and those all would otherwise increase the taxes. Their purchases represent a source of income for the rural people, and I think the hon. member will agree that is a great thing.

Between the town of Paris and the city of Brantford, there are all sorts of people, hundreds of them living along those roads, and it is a good thing for the agricultural community.

MR. NIXON: The hon. members of the government are very expert at dragging "red herrings" across their tracks, and when I take them up on their statements they talk about something else right away. I would like to ask the commissioner for hydro what percentage of that money actually takes hydro to farms?

I say it is a very small percentage, and most of it is used in serving the homes. I am not complaining about it; certainly we must give services to those people who go out and buy two acres of land. There are thousands of them in my riding. People who live in Toronto, who want to get out of the cities, have houses on farmlands up in Brant, and they motor back and forth every day. But let us not think for a moment the cost of taking hydro to them is a benefit to the farmer, because it is not so.

I would like to remind the hon. Minister of that very able address given in the House by the hon. member for Essex South (Mr. Murdoch). He told of the benefits that his section of the country received a number of years ago, when another government was in power, from the direct payments which were being made in those days to subsidize a quality production in agriculture. We started this to quite an extent in the "hungry thirties" when agriculture was at a very low ebb indeed, as the hon. member for Elgin will very well remember.

I recall sitting in council with the hon. member when we drafted up the policy. He was not a member of the cabinet, but we were in the cabinet room discussing the big problem, and it was agreed that we would subsidize production of quality products of the farm by, I think it was, \$2 added to the federal subsidy for quality "A" hogs.

Then there was a subsidy on top quality cheese; the production of sugar beets was certainly in the doldrums then, and we subsidized that to encourage the production of quality beets.

I could go over a number of products of the farm that received direct subsidy from the government, and it was carried over into the time when the hon. member for Peel was hon. Minister.

While I always greatly admired the hon. member for Peel, I could never understand why he wanted to scuttle that policy as quickly as he did; he just could not get out of that quickly enough.

This government can talk about the large sums of money which are spent for the encouragement of agriculture, but, Mr. Chairman, the money which is put directly into the farmer's pocket is the biggest encouragement that he can get. I do not know that there is so much wrong with agriculture today that a little more money in the farmer's pocket, and a little larger share of the national production, would not solve to a very large extent.

I was amazed, back in the depression days, how the few million dollars that was spent by the government at that time went directly into the farmer's pockets for the quality production of better products. It has been my experience as a farmer all my life, that if one produces a product of sufficiently high quality, he will have no difficulty selling it, in most cases at a profit.

I would suggest in all seriousness that the hon. Minister should again subsidize the production of top quality pork. The quality of our bacon production has decidedly slipped. It may be due to several reasons.

However, I think maybe the main reason is the fact that we are feeding the hogs today on hybrid corn. On the farms today, certainly the production of hybrid corn has extended over this province to an extent which people down in the southwest part of the country would never have dreamed possible 20 years ago. It is not a food which tends to the production of a high-quality product, yet it can be grown in such tremendous quantities and so cheaply, as far as the cost of labour goes, that the farmers are feeding their hogs their own home-grown corn, and they say they can get just as much money by selling a fat article, than by attempting to produce a high-quality product which would cost them more with other feeds.

We have been in a rather good situation with regard to the sale of bacon, because of the spread of hog cholera in the United States. I do not think there has been any United States bacon coming to Canada at all, and we have been shipping very large quantities over to them, and they like the quality of our bacon much better than the fat bacon they were getting from their own production.

I do believe that if we could produce more grade "A" quality bacon, we would have no trouble whatever in marketing it to very great advantage. Certainly a quality subsidy of \$2 from the provincial government added to that would encourage them in a real way.

It is not my intention to labour that any longer. I spoke at some length on the question of agriculture in my address in reply to the speech from the Throne, and the hon. member for Ontario (Mr. Dymond) made some very kind references to what I had to say, of which I am very appreciative. Agriculture always treated me very well and I have no complaints about it at all.

But then people say, "Oh well, you were born with a silver spoon in your mouth—you took over the entire family farm which has been in the family for 125 years."

We came there in 1839, and the fifth generation is now farming it, but the

boy who takes over the old family farm has not any silver spoon in his mouth, as hon. members probably know.

My father farmed that farm for 50 years, and right up to the day he left it, he was paying for dependents on the farm, and paying for other areas, and he was a better bookkeeper than I, and he could show me that he paid for that farm 3 times over.

As far as advantage is concerned, one would be far better off to go and buy another farm. When my father came to me, all he could afford to give me was one-third of the proceeds of the farm. In 6 years' time from 1913 to 1919, I had acquired a wife and 3 children, and was elected to this Legislature and appointed a cabinet Minister, and I suppose in other occupations of life people do not do any better than that.

Since that time, I have not known whether the farm carried my political activities or my political activities carried the farm. Certainly I do know when the elections came along, I had to look to the farm revenues to see me through the election, notwithstanding what the hon. member for York South thinks about election funds of the old parties.

I realize that my remarks have been very rambling indeed, and I will certainly not hold the floor any longer at the present time, and prevent the progress of these estimates through the House.

MR. D. C. MacDONALD (York South): Mr. Chairman, before we deal with the individual estimates, there are a few general remarks I would like to make, and they bear directly on the latter portion of the hon. Minister's comments this afternoon.

I do not think there is any doubt about it, that, important as the hon. Minister or anybody may conclude that research and other aspects of agricultural policy are, the aspect of agricultural policy at the moment which is uppermost in the mind of the farmer is the problem of his income. The hon.

Minister touched on two or three aspects of that at the end, and I would like to raise them and take a look at them.

I was extremely interested in his rather hesitant and tentative support of the proposition that we may need a two-price system, and that these alleged surpluses that we have in Canada can be disposed of to the needy of the world at perhaps a nominal price that would be within their means. I cannot think of anything to which I would give more whole-hearted support.

But this is precisely the kind of arrangement which many governments of the world at the United Nations, through the Food and Agriculture Organization, attempted to set up, immediately after the war. They attempted to establish a world food bank, so that surpluses which might develop in the better years could be taken into this food bank, to be used for the needy of the world in the lean years.

Here in Canada our federal hon. Minister of Agriculture, despite the fact that Canada was one of the countries which would have benefited most from such a world food bank, refused to support this project. Moreover, I heard no protest from the Conservative party, federally, to counter the sabotage of this kind of programme by the federal hon. Minister of Agriculture.

The point which interested me about the hon. provincial Minister of Agriculture raising the issue this afternoon is this: If we are going to establish a world food bank at the international level, with a two-price system, what we are in fact doing is planning the economic life of this nation not only at the national level but extending that planning to the international level. It would be straying pretty far afield for a professed champion of free enterprise to become a supporter of such a degree of planning at the international level.

The fact of the matter is that the Liberals at Ottawa, after the war, refused to do this, and the Conservatives raised no objections at all. If what we have heard this afternoon is the emer-

gence of a new and more progressive approach by the Conservative party, at least at the provincial level, I think it is a most encouraging thing.

Let us go back a step further to a level of government where, perhaps, something can be done about it. As the hon. Minister indicated, in the Gordon commission there are some really sobering figures. It is pointed out, for example, that back in 1945 approximately 25 per cent. of the people of Canada were employed in agriculture. By 1955 that 25 per cent. had been reduced to 15 per cent. By 1980 the Gordon commission indicates that no more than about 7 per cent. of the Canadian people will be engaged in agriculture. They point out that today about 12 per cent. of the income of Canada derives from agriculture, and by 1980 that 12 per cent. will be reduced to 6 per cent.

In other words, with all the cold finality of a funeral notice, there is recorded there the decline of the agricultural industry.

Let us be fair about this trend—part of it is a relative decline because of the great industrialization of the Canadian economy. But part of the decline is also due to the fact that the agricultural industry is now slipping to its normal condition—that of a depressed industry within the economy.

If I were still back on the farm, the thing which would alarm me most is that the governments today—the federal government at Ottawa and the provincial government here—seem willing to accept the fate of agriculture slipping back into this position of being a depressed segment within our overall economy.

Between the years 1941 and 1951 I think we have the only period, within the last generation or two, in which agriculture achieved a position of parity. It was then, during the years that we were forced because of the demands of war to plan our economy, that agriculture received something approaching a fair price relationship.

As I pointed out earlier in the session, if we take a look at the census data in 1951, we will discover that agriculture, even with its prosperity, had not achieved at the end of that decade a position of parity with regard to the rest of the Canadian economy, and since 1951 it has slipped.

The question I would like to put to the hon. Minister—to get back to the level where, presumably, this government can do something about it—is this:

If we take a look at the brief, for example, that the federation of agriculture presented this year, there is an observation on page 2 of their brief that:

It is questionable whether agriculture's net income position relative to the growth in our economy, will improve very much in the coming year.

Moreover, if we take a look at the brief presented by the farmers' union, they lay a great deal of stress on what is described as parity, or a fair relationship price. They argue that the main responsibility for this rests at the federal level, and they asked the Ontario government, through the good offices of The Department of Agriculture, at the annual planning meetings that are held usually in the month of December—they asked that this government make representations to the government at Ottawa to do something by way of establishing parity, or fair relationship price structure, in this nation.

My question to the government is: Does this government support the proposition of parity, and is it willing in the future to do something by way of attempting to co-operate with the federal government in, or to pressure the federal government into, establishing that kind of thing?

What interests me is that in the federal House of Commons, about 3 or 4 weeks ago, there was a vote on the question of giving agriculture parity prices, and the Conservatives and the

Liberals lined up solidly to vote down the proposition of parity prices.

Not only did they line up solidly and vote it down but, even more interesting, 3 of the rural Conservative members from Ontario skipped the vote. The fact that they were around, and could have voted, was affirmed by another vote which took place about 5 minutes later, and they were present. But they come from areas where the farm ferment is such that they did not choose to be on record as opposing the principle of parity prices.

Where does this government stand? Is it willing that parity should be established?

HON. MR. GOODFELLOW: Mr. Chairman, speaking as a farmer, I have reservations in regard to parity prices. I do believe in realistic prices; but as far as making representations to Ottawa, so far as I am personally concerned, I feel that we have a full-time job to do in carrying out the policies and development of the provincial Department of Agriculture without reference to the federal Department of Agriculture.

MR. MacDONALD: The hon. Minister is indicating to the farmers' union that he is not going to do anything about their plea.

The second important aspect of this whole question of what the farmers are getting, by way of a fair return at the present time, has to do with the question of price spread to which the hon. Minister gave general support.

There is a very interesting history to the question of looking into the price spread in farm prices. Not only is there a history in the long-term sense of Canada in price spread investigation, in the 1930's and the immediate post-war period when we had a sharp increase in consumer prices, but, about two or three years ago, the Conservative party at Ottawa brought in a motion, or a resolution, in the House of Commons asking the federal government to institute an investigation into the spread between

what the farmers were receiving and what the consumer has to pay.

This is what happened. The federal hon. Minister of Agriculture got up and expressed support for this kind of thing but said it was beyond the federal government's powers, that this was a provincial matter. So the ball was tossed back to Queen's Park so far as the province of Ontario was concerned.

A year or so ago, when the matter was raised in the provincial House, it was stated—and the hon. Minister confirmed it this afternoon—that this was not a provincial affair; this is something that only the government at Ottawa can do.

Here we have the same sad story of Canadian politics where an urgent need of the Canadian people is being turned into a football and kicked back and forth between the government at Ottawa and the Ontario government, with neither willing to accept responsibility for doing something about it.

HON. MR. GOODFELLOW: Does the hon. member think it is a provincial responsibility?

MR. MacDONALD: If the Conservative party at Ottawa is in favour of the proposition and the Conservative party here is in favour of something, I think we should at least get something done about it. We have had plenty of evidence that this government is willing to be critical of Ottawa for many things. We listen to it about 5 times a day—to this government berating the government at Ottawa.

MR. J. A. MALONEY (Renfrew South): Is the hon. member in favour of it?

MR. MacDONALD: I say let us do it.

MR. MALONEY: Is the hon. member in favour of it?

MR. MacDONALD: Of it being done here?

MR. MALONEY: Anywhere.

MR. MacDONALD: A price investigation?

MR. MALONEY: Yes. I would like to hear the hon. member's answer.

MR. MacDONALD: If the Liberal government at Ottawa, in the view of this government, is shirking its responsibility with regard to as important a part of our economy as agriculture, then let this government be big enough to do something, at least so far as the province of Ontario is concerned. As long as this government avoids doing it, and continues to treat it as a political football, I am driven to the conclusion that this government is not really interested in the matter.

The significant thing is that a very large proportion of the agricultural production in the province of Ontario is consumed in the province of Ontario. Therefore, the argument that the hon. Minister has put forward that this is an inter-provincial matter, and that we cannot get realistic assessment of price spreads, does not hold as much in the province of Ontario as it would in western Canada.

I do not know what proportion of our production in Ontario is consumed in Ontario, but I would imagine that it is in the neighbourhood of 90 per cent. Therefore, the argument that this is inter-provincial and we cannot get a realistic assessment of price spreads, does not hold at all.

If the government is really interested in finding out about this price spread and getting more of the consumer's dollar back into the pockets of the people who do most to produce the food, then it could be doing something about it. But we have the matter being kicked around, and we have every indication that nothing is going to be done about it.

I do not know whether the hon. Minister has any changes of thought with regard to this matter. If there is any prospect of the government moving on it, I would be very glad to hear about it.

MR. R. HERBERT (Timiskaming): I would like to take this opportunity, Mr. Chairman, of expressing my appreciation to the hon. Minister, the Deputy Minister and to the agricultural representatives and their staff for their continued efforts towards the betterment of our farmers.

I would like to say, at this time, that I am very thankful for the assistance given by this government in the purchase of seed grain for next season for northern Ontario.

I am also very interested in the programme of experimenting in the raising of beef cattle in the north, and I will watch it very closely.

MR. R. WHICHER (Bruce): I have one or two general remarks which I should like to make before we get into the estimates.

I have been very interested in what the hon. Minister said this afternoon. I think he did an excellent job in reporting what has been done in the past, and what is being done now. But, like the hon. member for York South, I am very perturbed about the future of agriculture in this province.

I do not intend to take very long to emphasize the fact that, while labour and capital in practically every type of industry in this great province is going ahead, the brutal fact is that the farmers in this province of ours, whether they be Conservative, Liberal, or CCF farmers, are in bad shape. We, as their representatives in the Ontario Legislature, should be prepared to do something about it right now, because we cannot wait for another 10 or 15 years before something is done.

Like many other hon. members, I am not the slightest bit interested as to whose job it is — whether it is the job of the Liberal government in Ottawa or the Conservative government here, but I do know that something must be done very shortly.

These men and women who are carrying on the job where many of us were born in old rural Ontario are in very

bad financial shape. I would like to re-emphasize that, while they are interested in research, marketing and various forms of production and salesmanship, what they are primarily interested in, at the moment is: "What is my income going to be in the year 1957?"

From all the figures we can get, from all the statistics across the country and particularly in this province, it is not going to be what it should be.

I do not intend to blame this government at all. I was very interested in what the hon. Minister said in regard to such things as dumping. Of course, dumping does not happen just in this province. In spite of that statement, it appears to happen right across our Dominion.

It seems to me, the duty of the hon. Minister of Agriculture, as far as this province is concerned, if dumping is being done by our neighbours to the south, or by those of the British empire, or any world power, it is up to the hon. Minister of Agriculture of this province to protest most vigorously to the federal government.

I have asked persons who have been in agriculture and in the Ministry here in the past, why it is that our government in Ottawa, over a great number of years, has allowed such things to take place, and the answer has been given, so I am informed: "After all, we have to have world trade, therefore, we must be prepared to take some agricultural products into this land of ours in order to sell our machines; our diesel motors, Ford and General Motors cars and all types of manufactured goods."

I do think this government should emphasize to the federal authorities that the agricultural people are just as important as the manufacturing concerns of this province. Perhaps it would be just as well to forego selling 20 or 100 diesel engines to New Zealand; let us forego that for a while and stop bringing in one million pounds of cheese, or whatever goods it might be.

I know the rural hon. members of this House, whether they will say so in pub-

lic or not, nevertheless have agreed with these thoughts. We represent this province and I feel every effort should be made by the hon. Minister, with the backing of all political parties in this House, to try and arrive at some understanding so that too much food is not allowed to be imported into this province of ours.

We are now in a position that our population is increasing all the time, and can consume a great amount of what is grown here. We eat, I would judge, probably 90 per cent. of all the food produced here.

I cannot understand why we allow so much to come in, and I ask the hon. Minister to do everything possible to see that, at least, some of this is stopped.

In closing, I wish to stress very strongly that something must be done now, because the farmers across this province are in serious financial difficulty, and what they need right now is not a review of what has been done in the last 5 or 10 years, but what is going to be done in the next one or two years.

MR. NIXON: May I ask the hon. Minister about item No. 7; what is the Ontario agricultural council, for which there is the munificent sum of \$500?

HON. MR. GOODFELLOW: They are the representatives selected by the county council, and they meet annually in Toronto, and that amount is for their expenses while here.

MR. NIXON: What became of that organization which Mr. Drew was going to set up to tell the farmers what they should grow?

HON. MR. GOODFELLOW: I was looking through the estimates and could not find any organization of that kind.

MR. W. E. JOHNSTON (Carleton): It is still active in Carleton county.

MR. INNES: As to item No. 5, there seems to be quite a bit of controversy about the lack of pollination in the province. Mr. Chairman, could the hon. Minister make any statement on the possibility of any increase of apiaries or pollination in the province? As hon. members know, it is of great importance to the farmers.

HON. MR. GOODFELLOW: I know it is of concern to the beekeepers in the province that our nectar-bearing plants are fast disappearing, with the result there is not sufficient to support the beekeeping industry. We have sent a couple of our men down to the United States to make a study of different types of clover they have there, to see if there is a possibility of any of them being introduced into the province of Ontario.

MR. J. P. SPENCE (Kent East): Mr. Chairman, what is being done about workmen's compensation for the farmer?

HON. MR. GOODFELLOW: There is a provision that allows farmers who employ labour to have coverage, not only for their labour but also for themselves. Farming today is one of the hazardous occupations and, as a result, the rate for the farm group is very high.

MR. INNES: Is this not due to the fact that a small proportion of our farmers, compared to other industry, are under the compensation board? Could this situation not be alleviated? Any farmer I have talked to says he cannot afford workmen's compensation prices because they are too high. That should not be so, when it is for the benefit of everybody in the province. The farmer should benefit as well as any other citizen since he is paying into it. If the hon. Minister would look into the percentage, I think he would find it is very small.

HON. MR. GOODFELLOW: I have not those figures here, but am informed that every group has to stand

on its own as far as assessment is concerned. Due to the fact that farming has become very hazardous, the rates are very high. We have given some study to safety programmes with our farm people, our own engineering staff, as well as other organizations.

MR. WHICHER: Could the hon. Minister tell us what the rate is?

HON. MR. GOODFELLOW: I cannot give it to the hon. member off-hand.

HON. C. DALEY (Minister of Labour): The rates are established on the hazards in any given industry. It is not to be compared with the rate for the bush worker. Many rates are higher than the farmer's. The farmer comes in on a voluntary basis, and if all farmers came in, I am sure the rates would go down.

MR. R. ROBSON (Hastings East): I think the figure last year was 2 per cent. based on a salary of \$1,200—a \$24 per year premium for a farmer. They did not know the farmer's income, so they estimated it. The rate was 2 per cent. on the \$1,200, and the injured person drew 75 per cent. of \$1,200, when off work. That is my understanding of the way it was done last year. I expect the rate to increase; I do not know whether it has or not.

HON. MR. DALEY: I would not want to answer from memory as to the rates.

Vote 101 agreed to.

MR. WHICHER: I would like to speak about item No. 7 concerning grants to agricultural societies; vote 102. I do not have the figures, but it seems to me it is considerably more than it was in 1956. Would the hon. Minister say something about that?

HON. MR. GOODFELLOW: There is an increase of \$12,000, from

\$636,000 to \$648,000. That is just a normal increase.

MR. NIXON: In the estimates of the hon. Provincial Treasurer, there was a very large grant to the breeders of thoroughbred horses, and I suggested at the time one would naturally think this item should be in The Department of Agriculture estimates. I am not, of course, presuming to tell the government how they should run their business, but there must be an explanation of some kind. Recently the standard bred horse breeders were talking to me and they wanted to know why they were being left out in the cold. They feel very much neglected by the government, which seems to be so cozy to the thoroughbred people, and so cool to them. Perhaps the hon. Minister of Agriculture should give them a little grant to even things up a little.

HON. MR. GOODFELLOW: This grant, I am told by the hon. Provincial Treasurer, was to the racing commission. The hon. Provincial Treasurer also tells me he will be very happy to turn it over to agriculture to be administered to better advantage.

MR. WHICHER: The hon. Provincial Treasurer is turning it over to the jockey club anyway.

HON. MR. PORTER: The hon. member is quite wrong. It was all explained.

MR. WHICHER: It is part of the purse for the race.

MR. NIXON: Of course, according to the hon. Provincial Treasurer, it all goes back to the poor farmer who is making a living off the soil.

HON. MR. PORTER: I am all in favour of having it all go back to the farmer whether poor or rich.

MR. H. J. PRICE (St. David): It is quite right that the government assist these breeders to a large extent, and I

feel we should assist standard and other breeders as well. There is a good market for the standard bred type of horse; the farmer is receiving a much better price, and there is a good market to be captured in the United States.

I would suggest the hon. Minister give encouragement to the breeding of other types of horses, as there is a market, not only in this province, but outside the province as well.

MR. P. MANLEY (Stormont): Under item No. 7, there is a grant for commercial production features.

HON. MR. GOODFELLOW: That has something to do with exhibits at local fairs, where they are featuring some particular product of that particular county. It might be cheese down in the hon. member's county, or apples in some other county. We would give grants up to \$200 to assist in paying for those special exhibits.

MR. MANLEY: Would that be classed as a commercial product?

HON. MR. GOODFELLOW: That is the name they call it, but the purpose is to encourage the produce of that particular county.

MR. MacDONALD: In effect, it is a display?

MR. A. H. COWLING (High Park): Under item No. 7, there are grants to agricultural societies and other exhibition associations for capital improvement. I am wondering if the hon. Minister gave any consideration to giving a grant to that new women's building out at the Canadian National Exhibition which we are erecting right now?

HON. MR. GOODFELLOW: That could not be considered as coming under the jurisdiction of agriculture, but we have offered a very generous grant for improvements they made in the coliseum which may be considered as agricultural in future.

MR. INNES: Would the hon. Minister care to say how the exhibition becomes eligible for the grant; is it over a period of years or one year?

HON. MR. GOODFELLOW: We pay 25 per cent. of the capital cost in any one year.

MR. J. F. EDWARDS (Perth): Mr. Chairman, in the grants under The Community Centres Act, I would like some information with regard to certain action in my riding. A project which was receiving a grant was burned down, and a campaign is underway for a fund. Would they qualify for a grant under the new situation?

HON. MR. GOODFELLOW: Definitely so. When anything like that happens, it is certainly worthy of assistance.

Vote 102 agreed to.

Vote 103 agreed to.

On vote 104:

MR. MANLEY: In speaking about vote 104, I would like to say I noticed an article in the paper the other day which stated that the milk control board is taking off certain restrictions in the distribution and the prices of milk. I would like the hon. Minister to explain why that action has been taken, and would welcome any other information which he might be able to give us.

HON. MR. GOODFELLOW: The milk control board has exercised its power through orders-in-council down through the years to set maximum prices—that is, the retail price of milk. Possibly 4 years ago, in the Toronto area, it was found possible to take off the house delivery ceiling; it was retained on store delivery. In other centres, it has since been taken off by the milk control board voluntarily. It has been a matter of letting milk find its own level.

I am convinced, at the present time, there is no need for any maximum price in milk in any market, because milk has found its own level. We feel, if it is necessary, there will be negotiation or arbitration for prices to be established between producer and distributor.

But I believe the distribution of milk is like any other business. It is competitive in nature, and so to speak, "let nature take its course"—which it has done, and milk has found its own level and is holding its own.

This is no change in policy. This was established last November through the formula of pricing. The distributor paid the purchasers an additional 19 cents per 100 pounds for milk, and at the same time the price of milk increased across the board at a cent a quart. It is not a new policy; it is something that was adopted last November.

It had no effect on the market whatsoever. If it is found that the distributor is taking advantage of the consumer by putting the price above where it should be, then the milk control board still has a right to step in on that price.

MR. MANLEY. Mr. Chairman, is it going to interfere at all with the smaller centres; that is, in the protection which present dairies have, or is it going to be argued that there may be additional dairies opened up?

HON. MR. GOODFELLOW: No doubt the hon. member knows that the particular part of The Milk Control Act, in connection with licencing, was referred to the Supreme Court of Ontario, which found that the milk control board have no power to regulate the licencing of dairies—that is, where it could be proven that the applicant could give proof of financial responsibility, and experience, and proper plant facilities. They are 3 requisites. But the words were in the Act "and for any other reason", and the board sometimes, without giving any reason at all, said a party could not establish a dairy at all.

MR. MANLEY: Under the new legislation which the hon. Minister is going to bring before the House, is there going to be anything in it with regard to the present dairies, the protection of them, and the establishment of licences?

HON. MR. GOODFELLOW: Only to meet requirements, and the boundaries will be maintained to protect the local market in the distribution.

MR. WHICHER: The hon. Minister said that the retail price will find its own level. What about the price paid to the distributor by the purchaser? Will all control be thrown off that too?

HON. MR. GOODFELLOW: No, that is established by negotiation or arbitration. The purchasers and the distributors through agreement have decided that formula pricing will work. They adopted it for the first time last November, and there will be a continuing committee studying the cost of milk.

At all times we want to have the producer, the man who does the work, who produces the milk, secure a fair price. But we feel once the milk is in the dairy it is the same as bread or any other product. It is a commodity and, as such, free enterprise takes place.

MR. WHICHER: Why does the government not protect those poor fellows who are selling cheese and so on? They get about half the price they get for milk which they sell to dairies. It is the same milk.

HON. MR. GOODFELLOW: That is right. It may be that we can introduce formula pricing, but there are so many things that enter into the price of cheese, and so on, that do not enter into the whole milk market.

MR. NIXON: Was there not some suggestion of a stabilization programme being set up for those of us who may have a little more fortunate market situation, by putting a percentage into a fund?

HON. MR. GOODFELLOW: That is right. This Bill No. 82 could be amended in Ottawa to permit the province to go into a stabilization programme, but the Supreme Court felt that it was *ultra vires* of provincial legislation.

MR. WHICHER: What happens if the province asks the federal government?

HON. MR. GOODFELLOW: We have asked them.

MR. WHICHER: Has the province asked them?

HON. MR. GOODFELLOW: Yes.

MR. WHICHER: Has the request gone?

HON. MR. GOODFELLOW: It has not gone. It will go in a day or two. The hon. Attorney-General (Mr. Roberts) will write to the federal hon. Minister of Justice and Attorney-General asking if it could be introduced if it is felt desirable.

MR. MacDONALD: Mr. Chairman, I would like to get a little clearer picture on just how these recent changes have curtailed the power of the milk control board with reference to this kind of situation.

A few years ago, when there were negotiations between distributors and the men who were working in the unions distributing milk, the question of days of delivery came into the picture: the 5-day rather than the 6-day delivery. If I understand the hon. Minister correctly, this in effect became an order of the milk control board.

The men in this union feel this is a pretty unique kind of situation, in which their conditions of work and hours, and everything, in effect, becomes dictated by the milk control board, which normally has no jurisdiction over this type of thing at all. Normally it is within the jurisdiction of the labour relations board.

HON. MR. GOODFELLOW: The hon. member is suggesting that the milk control board should not have the power to set days of delivery?

MR. MacDONALD: Yes.

HON. MR. GOODFELLOW: We can look into that.

MR. MacDONALD: Here is a situation where the hours of work and working conditions of trade unions are dictated, not by the normal body that has jurisdiction over it, but by the milk control board.

HON. MR. GOODFELLOW: I think there is merit in it. That might be left to The Labour Relations Act.

MR. MacDONALD: I think the men in the unions have some pretty strong ideas on that.

HON. MR. GOODFELLOW: Since we no longer have ceilings on milk, I think it would be safe to remove that power from the milk control board and let the unions and the distributors work it out.

MR. GORDON: Mr. Chairman, does the board set the wholesale price of milk to retailers?

HON. MR. GOODFELLOW: No, we have retained a ceiling, a maximum price on store milk in 6 centres in Ontario. As I said a few minutes ago, I am sure if we retained no ceilings or no maximum price it would make no difference in the price to the consumer.

MR. INNES: Mr. Chairman, may I ask the hon. Minister a question? Is the advent of the 3-quart jug into the province going to affect the price to the producer? It seems to me there was a case in Aylmer whereby 3-quart jugs were being used by one dairy, and it upset the balance of the milk to the other dairies in the town, and finally they

succeeded in lowering the price to the producer right across the board.

It is of considerable interest to everybody in the province at the present time. As the hon. Minister knows, there is a possibility of it starting in some of the other cities in the province, and I think that the board should make it very clear that any reduction in the price should not be borne by the producer but by the distributor.

HON. MR. GOODFELLOW: There has been a licence granted to a company to establish a distributor's licence and sell milk in 3-quart jugs in Toronto, and this same company has already approached the purchasers' organization to the effect that they will pay the standard price for milk the same as all other dairies.

I had hoped the amendments to The Milk Control Act might have been before the House before this, because I think we are making provision to take care of situations such as the hon. member has in mind.

MR. MANLEY: Mr. Chairman, on the question of cheese, does the department call in the instructors who visit our cheese factories for a short course to bring them up to our latest techniques, or what do they do in that regard?

HON. MR. GOODFELLOW: I am advised that we call them in for a refresher course every year.

MR. MANLEY: Where does that take place?

HON. MR. GOODFELLOW: At Ontario Agricultural College, because there are only a few cheese instructors in the province.

MR. MANLEY: Could the hon. Minister tell me how many men are now taking the course in cheese making?

HON. MR. GOODFELLOW: I do not think we have that information here,

but I would be glad to get it for the hon. member.

Vote 105 agreed to.

Vote 106 agreed to.

On vote 107:

MR. INNES: Mr. Chairman, on this "farm labour service branch", it seems to me that we have many New Canadians coming into this province, and the proportion going into the agricultural industry is very small. I do not particularly want to suggest that they go into agriculture, but I do suggest it would be a good gesture on the part of the government, if it saw fit, to give agricultural courses to some of these New Canadians, whereby they would learn farming techniques in this province, and whereby they would be a great asset to the farmers.

It seems to me that one of the greatest concerns and headaches of the farmers in the province at the present time is the farm labour situation. I do not know where this \$30,000 goes. I think possibly it is to alleviate certain labour difficulties in fruit belts and so on, but I think this could be greatly increased and be of great service to agriculture.

HON. MR. GOODFELLOW: I might say to the hon. member that we were approached last week in respect to giving consideration to accommodate, I think, about 20 of these New Canadians from Hungary at the Ontario Agricultural College. We are presently making arrangements for them to take courses in English until the seasonal work opens on the farms. As soon as our two-year students are out of Guelph, they will have accommodation. I believe we can arrange to give the New Canadians accommodation there, and the federal government is supposed to take care of the cost involved.

Vote 107 agreed to.

On vote 108:

MR. NIXON: Does the hon. Minister really make a serious attempt to enforce

The Weed Control Act, or has that pretty well gone by the board?

HON. MR. GOODFELLOW: No. The counties are supposed to be doing a really good job on weed control. I have a few amendments to bring before the House to put more teeth into the Act, but we might step on the toes of some of the farm hon. members here who are not doing as good a job as they should be doing on their own farms.

MR. NIXON: I certainly do not see much sign of any active enforcement.

HON. MR. GOODFELLOW: Maybe the hon. member should get the county council to get a good inspector up there. Maybe he is not doing his job.

Vote 108 agreed to.

On vote 109:

MR. R. BELISLE (Nickel Belt): Mr. Chairman, how many provincial fruit inspectors are there north of Gravenhurst? How many are there in the province? Is it the intention of the government to establish some in the northern part of the province, because the produce we are receiving in northern Ontario is not always the same at destination as it is at starting point; for example, apples or peaches.

HON. MR. GOODFELLOW: There are 92 seasonal and 39 permanent fruit-vegetable inspectors, and two of those are north of Gravenhurst.

MR. BELISLE: Where are they established?

HON. MR. GOODFELLOW: New Liskeard and Sudbury, I am informed. One of them is a Dominion inspector and one is provincial.

MR. BELISLE: The one at Sudbury is federal, is he?

HON. MR. GOODFELLOW: Yes.

Vote 109 agreed to.

On vote 110:

MR. NIXON: I notice \$500 there for the Canadian Hunter and Light Horse Improvement Society. It certainly is a lot less than the grant for the thoroughbred boys.

HON. MR. GOODFELLOW: Maybe we better have a look at that.

MR. NIXON: And do not forget our standard breds, either, when the hon. Minister is looking.

MR. INNES: Mr. Chairman, referring to item No. 8 of vote 110 again, I mentioned this last year and I see the Canadian federation of agriculture has made representation about The Warble Fly Control Act.

I did not want to discuss it again, but I feel this money is more or less wasted unless we make this compulsory. The way it is now, it can be made available to any municipality only if they so desire, and I do not see where it is doing a job for any particular county.

I mentioned this point last year, and I know nothing has been done. But if we are going to spend money to the extent of \$88,000, I think we should get more benefit from it. If we want to go after one county or district at a time, I think we would be making a step in the right direction. But to have one municipality in southern Ontario, another one north of Toronto, and another down in Brant, I think leaves the situation very lacking in regard to effective control.

HON. MR. GOODFELLOW: We had hoped that we would hear no more about the warble fly, but it keeps cropping up. It is just a question, with 279 municipalities, whether we should make it mandatory at this time.

MR. NIXON: Mr. Chairman, I think maybe the time has come when the hon.

Minister should consider that. Unfortunately, warble flies do not recognize township line fences, and I know for a number of years we have sprayed very thoroughly, and the man 100 rods down the road does not bother at all. He does not have to, nobody even suggests it to him. And it is not only the money the government spends, it is the money the farmer has to spend under this regulation, which is partly ineffective under the present set-up.

Votes 111 to 114, inclusive, agreed to.

On vote 115:

MR. INNES: Mr. Chairman, on vote 115, I would like to know if the hon. Minister could make any breakdown as to what is spent on research and on education; if he is in a position to give anything approximate.

HON. MR. GOODFELLOW: We have it here broken down into cents out of each dollar: 25 cents is for administration, 16 cents out of the dollar is for extension, 21 cents is spent on research, 13 cents on teaching, and the rest is broken down, some 20 cents, into a dining hall, fuel, light and so on.

I think those are the important figures: administration 25 cents, extension 16 cents, and research 21 cents.

MR. INNES: Mr. Chairman, the hon. Minister commented on my remarks about the Ontario Agricultural College, MacDonald Hall and the Ontario Veterinary College being incorporated as a university, with a board of governors.

I notice that in his remarks he made mention that his department had increased the total grant from 1951 to 1957 by a considerable amount, but I would like to bring to his attention the fact that The Department of Education have made legislative grants to all the schools in the province which are approximately 50 per cent. higher than they were in 1951. So I do not think this adds up to his argument when we figure that the great percentage of students at the

college do not go back into agriculture, and that education is being charged up to agriculture, it does not come out of The Department of Education. The federal government gives a grant to the college on the ground that it is a university, I do not know exactly to what extent, but approximately \$125,000.

It may be said that it does not matter where we get the money that goes to the Ontario Agricultural College. But I say if we took more out of education and put the college on a university status, we would certainly have more money for research, which is sadly lacking at the present time.

When the hon. Minister says 21 cents goes for research, I think that is a very small figure in the estimates of this province of over \$600 million for the whole year. When he says 21 cents, I have not figured it out proportion-wise but I can assure the House that it is a very small figure.

I would suggest that if the colleges were on a university status we would have a certain sense of responsibility. We have good professors there in whom I have every confidence. But they have the feeling that they cannot spend this extra money or they are stepping out of line. They appear to have that fear.

I am not saying it is because it is a Conservative government which is in power at the present time; we have had it when any other government was in power.

HON. MR. GOODFELLOW: We gave them security.

MR. INNES: And I am not playing politics at any point, but I feel that they, as teachers and university graduates who are teaching our pupils, would do a better job if they were not under the department.

MR. NIXON: Mr. Chairman, may I ask the hon. Minister if he has given serious consideration to placing the Ontario Agricultural College under a board of governors?

HON. MR. GOODFELLOW: We have given some consideration to it.

MR. NIXON: I recall very well that some years ago when the hon. member for Peel was Minister, he brought the estimates into the House in one lump item, devoted to the board of governors of the Ontario Agricultural College, and he was thoroughly convinced at that time it was the proper procedure. I think the time is long overdue when we should have this under a board of governors and recognize it as the university of agriculture, so that the professors and others there are not considered by anybody as civil servants, any more than those at the University of Toronto are so considered.

I do not want the hon. Minister to think this is a personal offence, but it would take it out of the field of being subject to the whim of the hon. Minister of Agriculture. I know that the whims of the hon. Minister of Education (Mr. Dunlop) do not dominate the University of Toronto, and while knowing the hon. Minister as well as I do, I believe that he would not be open to the same amount of criticism or challenge on this basis as some of his predecessors.

I do know that there have been times when the people there did not know whether they were coming or going, that the whim of the then hon. Minister of Agriculture went so far that they could not appoint an assistant to the gardener without his consent. Once, one of the top professors almost got fired from his job because the hon. Minister said he was dressed sloppily and his hair was too long, and that he had a 5 o'clock shadow at 10 o'clock in the morning.

At the salaries they were being paid one would wonder how a man could even afford a haircut, if he had a family to raise on his salary, and look as respectable as a professor should at a university.

So I would say that this is a matter to which the government might very well give serious consideration.

MR. INNES: Mr. Chairman, may I ask the hon. Minister what percentage of graduates go back to the farm? Take those who graduated last year from the Ontario Agricultural College, or the year before, in fact any year that the hon. Minister likes.

HON. MR. GOODFELLOW: We have not the figures, but could get them for the hon. member. However, it is unfortunately a very small percentage who go back into agriculture. Once a man graduates, he goes into other fields of endeavour.

MR. NIXON: Is there any significant trend in the number of applicants for the 4-year course?

HON. MR. GOODFELLOW: No, it is almost constant for the past 4 years.

MR. H. WORTON (Wellington South): Mr. Chairman, last fall a committee of Liberal hon. members had an opportunity to tour the Ontario Agricultural College and the Ontario Veterinary College, and we were well pleased with what we found there, and were also well pleased at the capable way in which the staff is handling its affairs.

It has come to my attention many times that some of the older retired people receive a very small superannuation. This may come under civil servants, but I have often felt badly at the small amount at which they are superannuated, and I was wondering if this money which the hon. Minister is putting into these things will eventually go to assist them in that respect.

The other thing I had in mind is if the government is not anxious to put the college under a board of governors, is there any further thought to perhaps putting the teaching staff in a separate group other than civil servants, or perhaps instituting some method of job evaluation.

I have studied the brief of the civil servants and have found it very satis-

factory. I do not think they are asking for too much in their brief, but I also felt that this group could at the present time be taken out of the civil service, and be put in another bracket.

The other point that comes to my mind is that the department has now purchased another farm in Guelph. Every time we talk about farms in Guelph, we are in danger of getting into hot water, but this is a good move, I believe.

It is the old Kay farm, an original farm in the area. I understand it was named after a Mr. Arkell Kay, who settled there, and after whom the village of Arkell was named. It has a historical value in that area, and I am wondering whether the government has ever given thought to making it into some type of historical museum, or what purpose they had in mind for it, other than just using the land?

HON. MR. GOODFELLOW: We will be able to use the large house on the farm for administrative purposes. I was very much impressed with the type of farm which was purchased by the government last year. The Kay farm really ties in nicely with the other block to the west of it. I think we can do a good job there with respect to research, husbandry, and what have you. It is an ideal location and makes a good unit.

MR. WORTON: Mr. Chairman, may I ask the hon. Minister if he has actually made any decision in regard to the farm building? I might go further and say that I agree with him that it does tie in with the college. The hon. member for Leeds (Mr. Auld), I believe, spent many of his boyhood days up there on the Auld farm, and I feel it is an excellent thing for the college to have.

Nevertheless, I feel it is too good a building to just turn into more or less of a farm house; it could be used to somewhat greater advantage.

HON. MR. GOODFELLOW: I appreciate the fact that it is as fine a house, possibly, as one could find any-

where in the province. Maybe we could use it for research or some such purpose. Someone mentioned the possibility of making it an historical site, and we will keep that in mind, but we have not decided on any matter of policy.

MR. MANLEY: Mr. Chairman, a moment ago the hon. Minister did say that there were quite a few graduates of the college going into other occupations. What concerns me is this, is there a sufficient number going into agricultural occupations once they graduate from the college? I refer particularly to the agricultural representatives branch. Would there be any danger in not having enough agricultural representatives graduating to take care of the agricultural representatives branch across the province?

That is something which I think is very important, that we have sufficient agricultural representatives in the different counties in the province. The work has grown to the extent today that a good number of counties could very well have an assistant representative, and I am just wondering if we are keeping up with the demand, with the number of agricultural representatives that we have, to put in placement in the different counties? I would like the hon. Minister to comment on that.

HON. MR. GOODFELLOW: I think we will be able to meet the demand. I understand that this year the possibility is that more graduates will be coming into the department than we have had in the last 3 or 4 years. But I do realize that the extension work is increasing in the field, and that many counties no doubt could use an assistant. However, we have been able to secure a sufficient number of graduates to meet the demand up to the present time.

MR. MANLEY: How many have left the agricultural representatives branch during the past year? Would the hon. Minister have those figures, or could he get them for us?

HON. MR. GOODFELLOW: Two. There was one from Stormont county, and then there has been one since the beginning of the year in Huron county, who has gone to the Canadian National Railways.

MR. MANLEY: There have been only two who have left altogether?

HON. MR. GOODFELLOW: That is right.

MR. MANLEY: With resignations of every sort?

HON. MR. GOODFELLOW: Yes, two district representatives and they are still continuing in the agricultural field.

MR. NIXON: A lot of the old-timers, like myself, are getting ready for superannuation.

HON. MR. GOODFELLOW: A good many of us are getting that way.

MR. WORTON: May I ask, is that farm going to be charged to public works or put in on agriculture?

HON. MR. GOODFELLOW: Public works, all the purchasing.

Votes 115 and 116 agreed to.

On vote 117:

MR. INNES: On item No. 15 in vote 117, it seems to me that we are not getting the amount of money we should for research at the Ontario Veterinary College. Granted they are doing a very good job, and are to be commended on the good work they are doing. Yet it seems to me that the appropriation of the province of Ontario to look after the health of all the animals in this great province should be worthy of a larger estimate than that.

I was looking at the estimates of The Department of Lands and Forests, and there is an estimate for research of \$658,000. I am not saying anything

against The Department of Lands and Forests; if they can get \$700,000, that is fine. But I do feel that we should have a greater research budget. It has been brought to my attention by veterinarians that they are not getting enough money to go ahead, and that they have to get down on their knees to get what little they do. I do not think they should be asked to operate that way.

HON. MR. GOODFELLOW: They do not have to get down on their knees; what the hon. member sees in the estimates is what they asked for.

Vote 118 to 120, inclusive, agreed to.

On vote 121:

MR. MacDONALD: Mr. Chairman, in vote 121, I notice these are all administrative expenses: salaries, travelling expenses, and so on. Is there a fund to which this authority can turn for capital expenditures for modernizing? Does the authority play any such role as that?

HON. MR. FROST: That is further down the line.

HON. MR. GOODFELLOW: Capital grants, vote 122: we provide \$100,000 for the revolving fund of the authority this year. Vote 121 is just for current expenses.

MR. NIXON: If I might ask, on vote 120, the Ontario junior farmers' loans; did I understand the hon. Minister to say a number of these were in arrears?

HON. MR. GOODFELLOW: That is right.

MR. NIXON: Because the last time we had the chairman before the board, he was very proud indeed that there was not one cent in arrears. Are things getting tougher with the farmers?

HON. MR. GOODFELLOW: Apparently so, but we do not propose

to foreclose until we have had a good look at the situation.

MR. NIXON: As far as my observation goes, concerning the ones who have received loans that I know of, I do not see how in the world they could be in arrears. After all, it has only been the fellow who had lots of money to whom the board loaned the money. The fellows who needed such assistance were told, very bluntly, that they did not have enough money to qualify to get some money, even though they may have had the know-how, experience, and a full line of implements.

Speaking of one particular case, I have not the letter before me today, but I have it available.

In another case, a fellow 10 miles away was one of the wealthiest men in the country, and he had no trouble getting \$15,000. I would not mind getting \$15,000 myself, because I can invest it in Hydro bonds, guaranteed by the government, which would pay 5 per cent. If I can get the money from the government for 4 per cent., that makes it an attractive proposition.

HON. MR. GOODFELLOW: Should we raise the interest rate to make it more realistic?

MR. NIXON: No, but I think the department should watch that phase of it, and not let these financial "big shots" get this money, which was intended to help the little fellow get started.

HON. MR. GOODFELLOW: In the county of Brant, there have been 34 applications made for \$278,000, so a few of them up there have been passed by the board.

MR. NIXON: And the department will not lose any money on them, either.

MR. INNES: Mr. Chairman, may I ask the hon. Minister, regarding this authority, as those junior farmers pay off their loans, is it the overall policy of

the board to give a further loan up to their original \$15,000?

I have a case where a very good junior farmer received his \$15,000, and paid it off down to around \$10,000. He was one of their best men, he always paid his interest and principal on time, but due to enlarging this farm he needed more money, and made application to the board and could not get it. Is that the policy?

HON. MR. GOODFELLOW: No, there have been cases where they should never apply, but I think they should consider it from the same standpoint as the hon. member and I; if we were making a loan, we would be making it on a larger or more efficient operation.

MR. INNES: This one was turned down.

HON. MR. GOODFELLOW: Send it over and we will look after it.

Vote 121 agreed to.

On vote 122:

MR. MANLEY: I am sorry, I did not know vote 122 was passed, but I wanted to know if there are defaults in these particular loans the same as there are in Ontario junior farmers' loans, or what is the position of this particular loan at the present time? Are there any loans outstanding?

HON. MR. GOODFELLOW: Yes, there are 12 outstanding out of 83 at the present time. Our experience with co-operative loans has not been good.

Vote 122 agreed to.

Hon. Mr. Frost moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves

the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

TOWNSHIP OF CROWLAND

Mr. J. Root, in the absence of Mr. Morningstar, moves second reading of Bill No. 9, "An Act respecting the township of Crowland."

Motion agreed to; second reading of the bill.

CITY OF WINDSOR

Mr. M. Davies moves second reading of Bill No. 31, "An Act respecting the city of Windsor."

Motion agreed to; second reading of the bill.

TOWN OF FORT FRANCES

Mr. W. G. Noden moves second reading of Bill No. 38, "An Act respecting the town of Fort Frances."

Motion agreed to; second reading of the bill.

ERIN FIFTH LINE UNION CHURCH

Mr. Root moves second reading of Bill No. 4, "An Act respecting the Erin Fifth Line Union Church in the township of Erin."

Motion agreed to; second reading of the bill.

UNITED CHURCH OF CANADA

Mr. A. Grossman, in the absence of Mr. Macaulay, moves second reading of Bill No. 7, "An Act respecting The United Church of Canada."

Motion agreed to; second reading of the bill.

HAMILTON HEALTH ASSOCIATION

Mr. A. J. Child moves second reading of Bill No. 16, "An Act respecting the Hamilton Health Association."

Motion agreed to; second reading of the bill.

CITY OF LONDON

Mr. A. Cowling, in the absence of Mr. Robarts, moves second reading of Bill No. 23, "An Act respecting the city of London."

Motion agreed to; second reading of the bill.

CITY OF ST. THOMAS

Mr. F. S. Thomas (Elgin) moves second reading of Bill No. 29, "An Act respecting the city of St. Thomas."

Motion agreed to; second reading of the bill.

THE TRAINING SCHOOLS ACT

Hon. H. R. Scott, in the absence of hon. Mr. Foote, moves second reading of Bill No. 88, "An Act to amend The Training Schools Act."

Motion agreed to; second reading of the bill.

THE NURSING ACT, 1951

Hon. M. Phillips moves second reading of Bill No. 100, "An Act to amend The Nursing Act, 1951."

Motion agreed to; second reading of the bill.

THE PRIVATE HOSPITALS ACT, 1957

Hon. Mr. Phillips moves second reading of Bill No. 127, intituled "The Private Hospitals Act, 1957."

Motion agreed to; second reading of the bill.

THE JUNIOR FARMER ESTABLISHMENT ACT, 1952

Hon. W. A. Goodfellow moves second reading of Bill No. 129, "An Act to amend The Junior Farmer Establishment Act, 1952."

Motion agreed to; second reading of the bill.

THE FARM PRODUCTS MARKETING ACT

Hon. Mr. Goodfellow moves second reading of Bill No. 130, "An Act to amend The Farm Products Marketing Act."

MR. J. J. WINTERMEYER (Waterloo North): May I ask the hon. Minister if this particular bill will be going to the committee on agriculture?

HON. MR. GOODFELLOW: That is one of the reasons we would like to get the second reading today, so it can go to the committee on agriculture on Wednesday.

Motion agreed to; second reading of the bill.

THE LOCAL IMPROVEMENT ACT

Hon. W. K. Warrender moves second reading of Bill No. 131, "An Act to amend The Local Improvement Act."

Motion agreed to; second reading of the bill.

THE FIRE GUARDIANS ACT

Hon. Mr. Warrender moves second reading of Bill No. 132, "An Act to amend The Fire Guardians Act."

MR. H. C. NIXON (Brant): May I ask the hon. Minister what this Act does? I do not recall having heard him explain it.

HON. MR. WARRENDER: That was the Act which extended the times for lighting fires, in keeping with The Lands and Forests Act.

All these bills are going to the committee on municipal law.

Motion agreed to; second reading of the bill.

THE PUBLIC UTILITIES ACT

Hon. Mr. Warrender moves second reading of Bill No. 133, "An Act to amend The Public Utilities Act."

Motion agreed to; second reading of the bill.

THE MUNICIPAL SUBSIDIES ADJUSTMENT ACT, 1953

Hon. Mr. Warrender moves second reading of Bill No. 134, "An Act to amend The Municipal Subsidies Adjustment Act, 1953."

Motion agreed to; second reading of the bill.

THE MEDICAL ACT

Hon. Mr. Phillips moves second reading of Bill No. 135, "An Act to amend The Medical Act."

Motion agreed to; second reading of the bill.

THE PUBLIC HOSPITALS ACT, 1957

Hon. Mr. Phillips moves second reading of Bill No. 136, intituled "The Public Hospitals Act, 1957."

Motion agreed to; second reading of the bill.

THE CONSERVATION AUTHORITIES ACT

Hon. W. M. Nickle moves second reading of Bill No. 109, "An Act to

amend The Conservation Authorities Act."

Motion agreed to; second reading of the bill.

THE PLANNING ACT, 1955

Hon. Mr. Nickle moves second reading of Bill No. 110, "An Act to amend The Planning Act, 1955."

Motion agreed to; second reading of the bill.

Hon. L. M. Frost (Prime Minister) moves that Mr. Speaker do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to.

House in committee of the whole; Mr. C. E. Janes in the chair.

HON. MR. FROST: Mr. Chairman, I beg to inform the House that the Honourable the Lieutenant-Governor, having been informed of the subject matters of the proposed resolutions, recommends them to the consideration of the House.

CLERK OF THE HOUSE: Resolution by hon. W. J. Dunlop: *Resolved that:*

the hon. Provincial Treasurer of Ontario shall place to the credit of the teachers' superannuation fund sums equal to those transferred from the public service retirement fund,

as resolved by Bill No. 70, "An Act to amend The Teachers' Superannuation Act."

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon D. Porter: *Resolved that:*

every purchaser of gasoline shall pay to the hon. Minister for the use of the Crown in right of Ontario a charge or tax at the rate of 13 cents per imperial gallon on all gasoline purchased or delivery of which is received by him,

as provided by Bill No. 98, "An Act to amend The Gasoline Tax Act."

MR. H. C. NIXON: There is a good deal of criticism in connection with the rebate under this bill. I suppose the proper time to discuss it would be under the bill itself. But there is no provision anywhere with respect to that, except in the hon. Minister's description as to what he will debate, is there?

The government is going to charge 13 cents and going to rebate only 11 cents.

HON. MR. FROST: I would say to the hon. member that the provision as regards farmers and fishermen remains as it is. The bill, of course, provides for the extra two cents on aviation gasoline and gasoline used in manufacturing concerns. That matter can be discussed when the bill is up in committee. No doubt there might be views. I have received some representations on that point myself.

MR. NIXON: As a matter of fact, there is nothing in the bill that touches on it, is there?

HON. MR. FROST: Yes, I think there is.

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. W. J. Dunlop: *Resolved that:*

the hon. Provincial Treasurer of Ontario shall place to the credit of the teachers' superannuation fund sums equal to those contributed under section 17 of the Act,

as provided by Bill No. 99, "An Act to amend The Teachers' Superannuation Act."

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. A. K. Roberts: *Resolved that:*

every person, syndicate, reciprocal exchange or corporation transacting

the business of fire insurance within the meaning of The Insurance Act shall, in addition to the taxes and fees now required to be paid, pay to the hon. Provincial Treasurer of Ontario on or before the 15th day of March in each year such sum as is determined by the Honourable the Lieutenant-Governor in Council not exceeding one per cent. calculated in accordance with the provisions of this Act,

as provided by Bill No. 104, "An Act to amend The Fire Marshals Act."

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. D. Porter: *Resolved that:*

every taxpayer within the meaning of The Logging Tax Act and amendments shall for every taxation year pay a tax of 9 per cent. on the income in excess of \$10,000 that he derives during such year from logging operations subject to any deductions provided therein,

as provided by Bill No. 114, "An Act to amend The Logging Tax Act."

Resolution concurred in.

TOWNSHIP OF SCARBOROUGH

House in committee on Bill No. 25, "An Act respecting the township of Scarborough."

MR. D. C. MacDONALD (York South): Mr. Chairman—

HON. MR. FROST: If the hon. member would like this bill held up—

MR. MacDONALD: I do not care whether it is held up or not. I want to speak on it.

HON. MR. FROST: Will the hon. member proceed?

MR. MacDONALD: I would like to make some observations with regard to this bill. I think I can give them in

the period from now until the normal adjournment hour.

I would like to say, before I make my comments, Mr. Chairman, that I went to the committee on private bills a week or so ago, having absolutely no information at all with regard to this bill or what it purported to do. I was a bystander, or an outsider, whichever way one wishes to describe it, but the more I listened to the discussions with regard to this bill, the more I became persuaded that there is a principle here that requires a great deal more examination before this House passes the bill.

I raised some points on the level of principle rather than with specific reference to this bill, and discovered that afterwards I was the recipient of representations and telephone calls from ratepayers, from representatives of the women's electors in Scarborough township and a number of others.

I want to say to this House, and particularly to the hon. Prime Minister, that I do not think that he should for one moment underestimate the widespread concern that there is in Scarborough township itself in regard to this bill.

There are — in spite of what we were told at one point in the committee hearings—at least two members of the council who are very definitely on record as being opposed. I draw to the attention of the House just by way of showing how seriously this is considered by some, that the secretary of the Progressive-Conservative Association in Scarborough township has resigned and stated publicly that her principles would not permit her to condone the kind of thing that this bill is going to do.

HON. A. K. ROBERTS (Attorney-General): Mr. Chairman, is the hon. member for York South referring to the anti-noise section, or the debentures?

MR. MacDONALD: No, I am talking about debentures, a final comment before I get around to the actual bill itself. I say this as a statement of absolute truth, that all the representations in the first instances that were made to me were made by people who have no association at all, or at least had no association that I was ever aware of, with the party of which I happen to be leader. They were people of other political faiths and support.

Mr. Chairman, as a result of these representations, I have looked into the situation, and the basic facts as I understand them to be are these, that between the years 1951 and 1956 there were a good many so-called over-sized water mains installed by subdividers in the township of Scarborough, that on no occasion did any of these receive the approval of the municipal board; that in all instances they were proceeded with, on the verbal assurance of the reeve at the time, that the parties concerned would be reimbursed.

Despite the fact that these claims had been building up for a period of something like 5 years, with perhaps one exception, my information is that no subdivider has presented a claim in writing for his expenditures with regard to these over-sized water mains. This situation had gone on for something like 5 or 6 years, when last June the public utilities commission in Scarborough began to add up the claims and discovered that the amount which was allegedly owed by the township to these subdividers was certainly much greater than many people, perhaps including the commissioners themselves, had thought to be the case.

As a result of that, representations were made to the municipal board and they got what was undoubtedly the only answer they possibly could get, that the municipal board at this stage could do nothing about it. Most of these over-sized water mains at this point had been constructed, and the regulations under The Municipal Act simply do not per-

mit the municipal board to come into the picture at that stage.

However, I understand the municipal board did suggest at one time, the holding of a public hearing to look into this whole situation, and for some reason or other, no action was ever taken with regard to that suggestion or invitation; that offer on the part of the municipal board that a hearing be held to look into this entire situation.

Then came the end of the year and the beginning of the year 1957, and the situation then was going to be met by the presentation of a private bill to this Legislature to regularize what had been carried on throughout this 5-year period in breach of the regulation. A motion was passed by the public utilities commission instructing the solicitor of the township to be authorized to proceed with the arrangement of a private member's bill.

Exactly what was done at the municipal council level quite frankly, Mr. Chairman, is a bit of a mystery to me, because I think it must have passed the municipal council. We were told at one time that it had passed unanimously at the municipal council level, but if it were passed unanimously, then we have this very interesting feature, that some of the members of council who are solicitors for these subdividers, who are seeking reimbursement, must have voted for it and I suggest in so doing they were acting illegally.

But in fact it was not passed unanimously, because there are at least two people who have expressed themselves publicly in the paper as being opposed to this whole thing.

In case hon. members may think my representations with regard to this bill are not completely in accordance with the fact, just let me present what is given today to the people in Scarborough as the official view of what is happening with regard to this situation. I have here a newspaper called *The News*, carrying a letter from Queen's Park from the hon. member representing Scarborough, who is the sponsor of this bill, and I want to

read the first two or three paragraphs of this letter:

Things should be quieter in Scarborough as the result of the approval last week by the Legislature's private bills committee of the township's application for the power to do two things, pay \$397,829.99 to subdividers for installing large water mains, and to pass an anti-noise by-law.

As pretty well everyone in the township knows, the water main expenditure was something out of the ordinary routine. Subdividers had put in extra-sized water mains in some real estate developments, and had not been paid the amount in excess of the cost of the smaller ones they would have needed for their own developments.

Normally, the extra expenditure would have been authorized formally by the council, but in the case in question the formal authorization apparently was not given. There is no question that the extra large water mains were needed, and that the township had a moral and undoubtedly a legal duty to pay for them.

I want to come back in a moment to this question of whether there is a moral and legal obligation. The next paragraph I wish particularly to draw to the attention of the House:

Because of the oversight in the original authorization—

and note the word "oversight"—

however, the province was required to step in and make special provision for the township to pay this bill. I think it serves as a good example of the function of the provincial government in relation to the municipality, a relationship that is not always understood by the citizens.

I want to suggest that the alleged relationship of the province to the municipality in this instance is precisely the opposite to the kind of thing that the writer of that article at that time was suggesting.

There are 4 or 5 points that I want to draw to the attention of this House. In my submission, this House should not pass this bill, because in so doing they will create a precedent which will be extremely dangerous.

My first point is that there is no legal obligation to pay these subdividers. They proceeded without formal authorization from the municipal board and, on subsequent occasions when this matter had been raised with the municipal board, they have refused to give after the event, so to speak, any authorization of it.

Secondly, there is no moral obligation to pay these men. They proceeded on their own, with nothing but verbal assurances from the reeve. They did so because they did not want to take the time required to get the municipal board's approval.

HON. MR. ROBERTS: Mr. Chairman, could we get some idea of the time this was done, and the reeve who is referred to?

MR. MacDONALD: I have reference to a gentleman by the name of Crockford. Furthermore, they were money in pocket by their proceedings, and I think that is a very interesting point for the House to take a look at.

It is suggested that one of the reasons the subdividers proceeded in breach of the normal regulations with regard to this kind of development was the fact that if they went to the municipal board, it would take 6 or 8 months, or possibly a year, to get the municipal board to pass it, and these men felt that they would be money in pocket to proceed with the building of these mains, and they so did.

MR. J. AULD (Leeds): I think the hon. member for York South is not conversant with the situation. The subdividers had no agreement with the board, they made their agreement with the municipality.

MR. MacDONALD: The hon. member is quite right, my word was not strictly accurate, it would be the muni-

cipality that would proceed. But the municipality in this instance did not proceed.

HON. MR. FROST: Mr. Chairman, this bill is here, I suppose, at the instance of the township of Scarborough.

In the township of Scarborough, as the hon. member for York South well knows, there was an upset in the election for the year 1956, which took place I suppose in the fall of 1955. Does the new council approve of this bill? Are they sponsoring the bill, I mean has council given approval to it?

MR. MacDONALD: Presumably they are sponsoring it, but if the hon. Prime Minister will abide for a moment, I will come to the very point that he is raising.

MR. H. E. BECKETT (York East): Mr. Chairman, may I correct the statement of the hon. member for York South?

MR. MacDONALD: Yes.

MR. BECKETT: It is the public utilities commission, which is a corporation of its own, it is not the municipality that lays the water mains, it is the public utilities commission.

MR. MacDONALD: The public utilities commission passed a resolution in which they asked that the steps be taken by the solicitor for the arrangement of a private bill. If my understanding of the actual normal workings in a municipality are correct, that would come from the public utilities commission to the municipal council.

MR. BECKETT: That is correct, but the public utilities commission lay and authorize the water mains, not the council.

MR. MacDONALD: The point I want to emphasize here, Mr. Chairman, and I am speaking at the moment to my

second point with regard to there being no moral obligation to pay for these, is this: Let me remind hon. members that these over-size water mains were put in, between the years 1951 and 1956, during that 5-year period.

MR. R. E. SUTTON (York-Scarborough): 1953.

MR. MacDONALD: I notice in some recent papers it was stated to be 1953-1956, but I understand some of them go back as far as 1951. Let us not quibble over that two-year period, it is for at least two or three years prior to 1956.

The significant thing, I think, is this, that these hard-headed business men — and subdividers are that, if nothing else — had no assurance that they were ever going to get paid for this. It was not authorized by the municipal board, they had only a verbal assurance.

Therefore, I suggest that it is a dead certainty, as hard-headed business men, that these subdividers added the cost of these over-sized water mains and passed it on in the lands that they have now sold and on which homes have been constructed. In other words, it is certain that these men have already been paid for these over-size water mains.

MR. SUTTON: Supposition.

MR. MacDONALD: It is not a supposition. Any one who knows the operation of subdividers may be certain that they are not the ones to spend money without assurance that they are going to get paid.

MR. SUTTON: Produce evidence, then.

MR. MacDONALD: My third point is that if these over-size mains are paid for, there are many people in Scarborough who feel, with justification, that there is going to be another batch of requests and claims laid against the township. There is at least one man

who is listed among them, the Pugh Construction Company—the gentleman, hon. members may recall, who had something to do with the Cadillac, and the court case that got some considerable publicity.

This man has had a claim before council for quite some time, and they have refused to act on it — a claim reduced from \$170,000 odd to \$117,000 for over-size sewers; so that having dealt with the over-size water mains, there is every prospect that the township is going to be faced with claims from subdividers to deal with over-size sewers.

My fourth point is that this is not merely to regularize what might be described as an inadvertent failure to fulfil regulations. I submit to this House that this was not an oversight, as was described in the Scarborough paper by the sponsor of the bill.

We have had bills: We have had two or three of them at this session, one from the Fort Frances area and one from the Welland area, where the township engineer or some other official did not conform with the regulations, and there was some inadvertent omission with regard to what was required, and we have had to pass private bills to regularize that kind of thing.

I am convinced that this is not that kind of situation. What we are regularizing here, if we pass this bill, is a calculated, a deliberate breach of the regulations with regard to the municipal board passing on such projects before they are proceeded with, so that the municipal board is in a position to exercise its function as a brake on municipal expenditures before they are made.

In other words the Legislature should not, and cannot without in effect frustrating the whole function of the municipal board, go back and condone this kind of thing.

HON. MR. FROST: Mr. Chairman, may I ask the hon. member, when this matter was in committee, were these matters discussed there?

SOME HON. MEMBERS: Yes.

HON. MR. FROST: Frankly, I know nothing about this other than that the bill is here and sponsored ostensibly by the council of Scarborough, and it has been through the committee on private bills. Has this been reprinted, by the way?

MR. BECKETT: It had to be reprinted.

HON. MR. FROST: Apparently there is a requirement that the municipality of metropolitan Toronto pay these amounts. Did the municipality of metropolitan Toronto raise any objection?

MR. BECKETT: No, they approved it, Mr. Chairman.

HON. MR. FROST: I am not familiar with these matters, but if there is a serious difference about it, I would prefer to refer it back to the committee on private bills.

MR. MacDONALD: May I have two minutes more, Mr. Chairman, and I will have finished? In fact, I am going to make specifically the suggestion which the hon. Prime Minister has just made. At the hearings of the committee the other day, there was only one person present from Scarborough who was opposed to the bill, and I am informed that there is at least one organization in Scarborough—whether it was inadvertent or not I do not know—which claims it was misinformed as to when this bill was going to come before the committee.

MR. BECKETT: There is no evidence of that.

MR. MacDONALD: They were told it was going to be on Thursday. It came forward on Tuesday. My final point with regard to this matter is that I want to ask this question:

For 3, 4 or 5 years, whatever the period may be, prior to 1956, these claims had been building up and there has been no formal request with respect to these claims laid before the municipal council. Who is pressing for the payment of these claims for over-size water mains? Which subdividers have actually made representations—and I am asking this as a specific question which I suggest this House should have the answer to before it proceeds—who is pressing for the payment of these over-size water mains; which subdividers have actually made representations, and if so, how?

Did they make representations by actual letters and, if so, let us see these letters. If they did not, was it by some sort of verbal arrangement, and what exactly was the kind of verbal arrangement? All this trouble developed in the first instance from verbal arrangements.

MR. STEWART: Ask their members.

MR. MacDONALD: In other words, is it the subdividers or is it the elected representatives at the present time in the township of Scarborough who are proceeding, who are pushing for the payment of these things?

MR. BECKETT: It is the public utilities commission, not the council.

MR. MacDONALD: I have a list here of the people who—or on whose behalf presumably—these representations are being made. I am not going to go into naming them at this point; there are 6 pages of them here.

MR. LAVERGNE: Just the old smear tactics.

MR. MacDONALD: I am not going to give these names at this point, but I suggest that this House is entitled to know more of the details of this, because until hon. members do, what they are doing in effect is saddling the town-

ship with a bonded indebtedness of \$400,000, with the prospect of even more coming in future.

I see the hon. Prime Minister is on his feet, Mr. Chairman, but may I just read this motion and then the hon. Prime Minister can do or say what he likes?

HON. MR. FROST: Mr. Chairman, I think the matter should be referred back to the committee on private bills.

MR. MacDONALD: I was just going to make a motion on that very point, Mr. Chairman.

MR. SUTTON: Mr. Chairman, I think I should have an opportunity to speak on this. I think there has been great distortion of the facts in the speech we have just heard from the hon. member for York South. I am sorry there has been a little confusion with this bill because of a letter written by a former CCF candidate.

The letter appeared in the local press in Scarborough and it had to do with sewers. A copy of the same letter was sent to the chairman of the private bills committee and it also had to do with sewers. Bill No. 25 has two sections, one is an anti-noise by-law and the article that appeared in the Scarborough weekly newspaper said that things would be quieter in Scarborough, in reference to the anti-noise by-law. The second section of the bill has to do with over-size water mains. There is nothing at all in that bill dealing with sewers or Mr. Pugh's \$117,000 sewer claim.

The hon. member for York South says 1951, but back in 1953, Scarborough public utilities commission had requested subdividers to install larger than 6-inch water mains which would serve as trunks on concession roads and main sideroads adjacent to the subdivision and the properties beyond. The commission approved of, and adopted, the policy of paying the subdivider only for the difference in cost between the

6-inch water mains and the 8- or 9-inch or larger-sized mains that he had put in. The subdivider paid for what it would have cost for the 6-inch main.

If the subdivider had been allowed to install a 6-inch main on these concession roads back in 1953, when these works had been completed, it still would have been necessary for the Scarborough public utilities commission to install trunk water mains at a later date at a much greater cost to the commission and to the people of Scarborough. The records of the Scarborough commission are full and complete as to the proper resolutions, agreements, minutes of meetings, covering these water mains, but were not properly processed through the township council of 1953 and 1954, in order that the necessary debentures to cover payment of the work be approved by the Ontario municipal board.

Scarborough is the miracle of Ontario development. In 10 years we have grown from a farming community with a metropolitan fringe to a city of modest homes and a population of 140,000 people. With such rapid growth and development, it is only natural that some mistakes were made in water mains and the works were finished before application was made for debentures.

In that case, the Ontario municipal board could not approve of the debentures. That is why a private bill was drawn up; it was unanimously passed by the 1957 council, signed by the reeve and clerk, and handed to me to sponsor through this Legislature.

HON. MR. FROST: Mr. Chairman, I have listened to the reply made by the hon. member for York-Scarborough. I am also influenced by the fact that this bill is sponsored obviously by a council under Reeve Harris which was very much opposed to the previous administration in Scarborough township.

MR. MacDONALD: The Harris administration never sponsored this bill. It would never have been here if he was still in.

HON. MR. FROST: Mr. Chairman, I would say to the House that many hon. members here had no idea of any controversy surrounding this bill. So far as I am concerned, I feel that these things should be able to stand the full light of day, and I have no doubt that with the sponsorship of this bill, it is in all probability quite satisfactory.

In view of what has been said, however, I think it would be far better to refer this bill back to the private bills committee in order that it may be gone into thoroughly: I think that is the best way of allaying any fears that there might be. If there are things that do require looking into they can be looked into specifically by the private bills committee at that time.

I accordingly move that this order be referred back to the private bills committee and that the time for receiving reports from the private bills committee be accordingly enlarged. That will give everyone an opportunity to consider the bill on its merits, and when it comes back here we can determine the matter on the facts and in the light of what the hon. member for York South has said.

MR. SUTTON: Is the private bills committee not finished for this session, and could not this bill be heard in this House?

MR. ALAN GROSSMAN (St. Andrew): We heard all about it in the private bills committee anyway.

MR. MacDONALD: The hon. member says Mr. Pugh knew nothing about it, but I point out that Mr. Pugh is one of the subdividers who is going to be paid. The hon. member says the mistake was made in 1954, and I suggest it was not a mistake, it was a calculated matter and—

MR. J. MALONEY (Renfrew South): Mr. Chairman, as chairman of the private bills committee I think we should reconvene. However, I do think it is my duty to point out to this House

that all these matters were gone into at the hearing of this bill, and despite the fact the usual irresponsible, bottom-of-the-barrel references were made by the hon. member for York South in the committee, those matters were not disregarded by the committee in coming to their decision, and the bill was passed by the private bills committee. When it was asked if the bill carried, the hon. member voiced no objection.

MR. MacDONALD: Of course I voiced an objection.

MR. MALONEY: He voiced very vocal objection, but when he was asked if the bill carried, he did not rise at any time and say no.

MR. ELLIOTT: That is absolutely right; I was at the committee meeting.

MR. MALONEY: It was at that time that the hon. member for York South referred to people being in "cahoots" with councils and subdividers, and when he was asked if he had any evidence to back it up he said, "Oh, no, not in this case, but I am referring to the general situation." The most irresponsible statement from a leader of a party that I have ever heard.

MR. MacDONALD: Mr. Chairman, with regard to this kind of irresponsible statement we have just had here, I will tell the hon. Prime Minister what happened.

We considered this bill, and after it was over the hon. member for St. Andrew rose and said: "Mr. Chairman, is this the place where we should consider making representations to avoid this kind of thing happening again? I ask because if municipal councils get the idea they can proceed in this irregular way, then they will continue to flout the municipal regulations even more."

It was on that point, in dealing with the principle that had been raised by the hon. member for St. Andrew, that I said

many of these things developed because of the fact that subdividers are in "cahoots" with municipal councillors, and I repeat it here.

MR. GROSSMAN: Mr. Chairman, of course I mentioned that and I was quite concerned, and still am, that municipalities sometimes do things in a slipshod manner. I was very much concerned about it, and asked the Deputy Minister if they would consider tightening up the regulations in this respect.

But this did not at all detract from the principle of the bill in which the question was asked, and it was pointed out that the ratepayers had received dollar for dollar value, and it was a question of straightening out the slipshod manner in which the council had done this business.

In effect everyone agreed that the subdividers or whoever they were were entitled to their money for the work they had done. It was on this principle that everyone in that committee, including the hon. member for York South, voted for the approval of the bill.

MR. MacDONALD: The people of Scarborough have already paid for it, and if we pass this bill the subdividers will be paid a second time.

MR. BECKETT: Mr. Chairman, I just want to correct a few things which the hon. member for York South has mentioned.

The water mains in Scarborough township are laid by the public utilities corporation, they make the contracts, not the council, and in every one of these cases in which they authorize a subdivider to lay a 6-inch water main, instead of doing it as a local improvement measure, the subdivider pays for it. In many cases it is much cheaper to lay a 6-inch or a 12-inch main where they laid a 6-inch water main. The subdivider pays for the 6-inch water main and the extra cost is charged to the township as a whole. The whole township benefits from that over-sized main.

If they did not operate under that system, then they would build a 6-inch water main as a local improvement, and then they would have to build the trunks separately, which would add a very considerable money burden to the taxpayers of Scarborough.

I think if the hon. member for York South had had municipal experience, such as we have had in Scarborough over the past 6 or 7 years, to see how much money was saved to the taxpayers by working along that system instead of laying a single 6-inch main, then laying a larger main and charging the extra cost to the taxpayers of the province. These are all authorized by the public utilities commission. In their minutes they have authorization to pay.

Mr. MacDONALD: If they get the approval of the municipal board.

MR. BECKETT: No, that is not correct. I have seen it, I have seen the document.

MR. MacDONALD: Let us see the document, then.

MR. BECKETT: It can be produced. All the township is asking is to pay for the extra-sized mains which the public utilities commission has authorized in every case. By doing so and working on that system, they save thousands of dollars to the taxpayers of Scarborough township.

MR. MacDONALD: In other words, they save thousands of dollars by violating the regulations.

MR. BECKETT: There is no violation to any regulation at all, this is done all over where money can be saved by laying a larger main, which we did all the way down Kingston Road to Pickering township. We laid a large main. The cost of the 6-inch main was paid as a local improvement, and the extra cost was charged over the entire township.

The hon. member for York South was talking about members of the council,

the application by the council. The private bill was unanimous, there was no vote taken in council, so I do not know which two members were opposed.

MR. MacDONALD: I can show the hon. members a clipping.

MR. BECKETT: I was at the meeting when it was authorized.

MR. MacDONALD: Does the hon. member really mean he does not know?

MR. BECKETT: I do know, and it was passed.

MR. MacDONALD: Why be so coy as to say he does not know?

MR. BECKETT: I do know. The by-law was passed unanimously by the council authorizing the private bill.

Furthermore, Mr. Chairman, the utilities commission consider this very good business. What would be the position if this amount were levied over one year on the taxpayers, whereas now they can issue debentures for 15 years? As far as opposition to the matter is concerned, I have no knowledge of any opposition of any association before council when the matter was under consideration. I say again the hon. member for York South should sit on the municipal council and see how money can be saved. I think from his comments today he is more to be pitied than scolded for his lack of experience.

Motion agreed to.

Hon. Mr. Frost moves that the committee do now rise and report certain bills without amendment.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole House begs to report it has passed several bills and recommends that Bill No. 25, "An Act respecting the township of Scarborough," be referred back to the committee on private bills.

Report adopted.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, may I say that tomorrow we will have the estimates of the hon. Provincial Secretary, and I shall be glad to hear at that time the reference to the Indian situation of the hon. member for Brant.

Secondly, during the day we will consider the balance of the estimates of The Department of Education, and then proceed with the address in reply to the speech from the Throne, with a possibility, if there are hon. members who are not prepared to proceed with the Throne debate, then there is the debate on the budget, the smoke control and air pollution report, and the toll roads committee report.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.20 of the clock p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, March 12, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Tuesday, March 12, 1957

Uniform and simplified procedure for the enforcement of statutory duties and the review of the exercise of statutory powers by the courts, bill to establish, Mr. Wintermeyer, first reading	957
Fair Accommodation Practices Act, bill to amend, Mr. Gisborn, first reading	957
Certain agreements entered into by the Hydro-Electric Power Commission of Ontario with certain Quebec power companies with respect to frequency standardization, bill to validate, Mr. Connell, first reading	957
Estimates, Department of Education, continued, Mr. Dunlop	958
Recess, 6 o'clock	994

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

TUESDAY, MARCH 12, 1957

3 O'CLOCK P.M.

FREQUENCY STANDARDIZATION

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

Hon. R. Connell moves first reading of bill intituled, "An Act to validate certain agreements entered into by the Hydro-Electric Power Commission of Ontario with certain Quebec power companies with respect to frequency standardization."

Motion agreed to; first reading of the bill.

MR. H. C. NIXON (Brant): Is the hon. Minister going to give an explanation of the bill?

STATUTORY DUTIES AND EXERCISE OF STATUTORY POWERS BY THE COURTS

Mr. J. J. Wintermeyer moves first reading of bill intituled, "An Act to establish a uniform and simplified procedure for the enforcement of statutory duties and the review of the exercise of statutory powers by the courts."

Motion agreed to; first reading of the bill.

THE FAIR ACCOMMODATION PRACTICES ACT

Mr. R. Gisborn moves first reading of bill intituled, "An Act to amend The Fair Accommodation Practices Act, 1954."

Motion agreed to; first reading of the bill.

HON. MR. CONNELL: Mr. Speaker, last year in this Legislature, there was passed The Power Commission Act which is amended to authorize the Ontario Hydro to convert certain generating plants in the province of Quebec, and because of the fact that we desire power supplied at 60 cycles rather than 25 cycles, it was necessary to amend the existing agreements, because they were validated by the Legislature and the amending agreements must be validated by legislation. That is the whole purpose of this bill.

MR. SPEAKER: Before the orders of the day, I would like to extend a welcome to the pupils and a group of adults from the Ryerson Public School, Toronto; and the pupils from Wiarton District High School, Wiarton, Ontario, and from Whitney Public School, Toronto. These groups are here to view the proceedings of the House.

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, before the orders of the day, I would like to return this film to the hon. member for York South (Mr. MacDonald) which he very formally sent to my desk before the orders of the day yesterday.

In so doing, I would like to say that I have run the film twice in the presence of several hon. members of the Legislature and others, and I do not think it adds to or detracts anything from the subject which was under discussion.

MR. NIXON: What subject was that?

MR. MALONEY: The strike-breaking police force in northwestern Ontario.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, before the orders of the day, I would like to ask the government if it would table letters which have gone from the hon. Minister of Agriculture (Mr. Goodfellow) or any other hon. member of the government to the federal government relating to the farm marketing situation in the time since the judgment of the Supreme Court was handed down.

HON. L. M. FROST (Prime Minister): Yes, I will be very glad to do that. We have asked the federal government to join with us in some combined action to reinforce our Act where it is weak because of the lack of constitutional authority. I would be very glad to table all correspondence, and it can be read in the House so all hon. members can see the position we have taken with Ottawa.

MR. OLIVER: May I ask how many letters there are?

HON. MR. FROST: I think there is only one letter, and another went out yesterday. I have not received Mr. Garson's reply to this, but we will have the whole file and table those letters. We are looking for action.

MR. OLIVER: Oh, I know that.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF EDUCATION

On vote 401:

MR. A. WREN (Kenora): I would like at this point in the estimates to make some remarks about The Department of Education generally; and I know my colleagues will follow that with some other subject matter of interest to the House.

Mr. Chairman, I do want to say that in this problem of education in Ontario, the parts of Ontario from which I come have, perhaps, been the hardest hit of any in the procurement of fully-qualified teaching personnel.

I do want to recommend again, and I am sure with expressions of approval from my colleagues from northwestern Ontario, that it would be desirable, first of all, if The Department of Education could see fit to establish at the Lakehead, or some other suitable central point in northwestern Ontario, a summer course for teaching personnel going to the northwest; and that, later, to be followed by the establishment of a teachers' college or a normal school, in the northwestern part of the province.

I know there are some suggestions made from time to time that the response to the department for students from our high schools to enter the teaching profession is not what it might be, but I would suggest that the expense involved, and the other difficulties of distance, sometimes detract from high school students entering a profession which is one which they might well consider.

A great deal could be accomplished, perhaps, as a first step —

HON. W. J. DUNLOP (Minister of Education) : Will the hon. member permit a question?

MR. WREN : Yes.

HON. MR. DUNLOP : Is the hon. member aware that we have been conducting summer courses for teachers at the Lakehead for the past two summers?

MR. WREN : I think the hon. Minister misunderstands what I am talking about. I realize that a pre-teachers' course has been conducted. I am speaking about the regular summer courses which teachers of the province have to take to maintain or to improve their standards, or qualifications.

HON. MR. DUNLOP : Yes.

MR. WREN : I think it will be agreed that kind of course is not available.

Another subject which will, possibly, be discussed at some greater length in another department today is one which has been of great concern to me for many years, and it is becoming increasingly more important. I refer now to the subject matter of the education of our Indian population.

I am fully aware that the jurisdiction of Indians, insofar as education and certainly so far as other subjects are concerned, is a matter for the federal Indian affairs branch. But I suggest that this matter of education of our Indian children is certainly not in a good position. The province of Ontario may not have the jurisdiction to enter into this field, but every pressure should be brought to bear, by every hon. member, to impress upon the Indian affairs branch in Ottawa that something will have to be done.

I heard the hon. Minister, if I understood him correctly, say the other day that his department would be willing at any time to take over the education of Indian children in Ontario if Ottawa would turn over the funds available to them for that purpose. I would suggest to this House, and to the people in

Ottawa, that there should be no further delay in implementing this kind of educational plan for our Indian people.

HON. L. M. FROST (Prime Minister) : The difficulty is that we get silence from the federal government.

MR. WREN : I realize that. I recall that not long ago the hon. Minister of Citizenship and Immigration stated he was quite in agreement, or, at least he had some sympathy, with the idea that the province of Ontario should take on the education of these children, and that Ottawa should bear the costs. But somewhere and somehow, some members of that Minister's department must have reached him, because so far as I can learn, there has been a dead silence ever since.

HON. MR. FROST : Sympathy is not enough.

MR. WREN : Yes, that is quite correct.

I want to quote some sections of a letter dated March 6, 1957, and addressed to me, by people of the Elizabeth Fry Society in this province. This society has a great deal to do with the rehabilitation of women prisoners particularly. In discussing the Indian problem, this letter in part says, and I quote :

It soon became evident to us that there was a disproportionately large number of Indian women in our jails and reformatories. When these women are released, we have found, when we try to help fit them into civilian life, that the problem is most difficult because the majority are entirely lacking in training and education.

It seems evident that the high delinquency rate and the difficulties of rehabilitation are a result of poor health, poor living conditions and lack of education.

The letter goes on to point out how many, or, rather, to recite instances of that situation in my own riding of Kenora, and I do want to say, and to

emphasize with all the force at my command, that these people have been too long neglected, particularly in the field of education.

Education is certainly the most important aspect of the whole Indian problem, if we are going to integrate these people successfully into our population. I agree entirely with the hon. member for Brant (Mr. Nixon), who said the other day in this House that no other ethnic group in Canada would tolerate the treatment which the government in Canada metes out to the Indian population.

These people in this society support that thinking, and say that many of the children are being educated in religious schools set up especially for Indians:

We think that segregation is unsound, because it does not lead to integration into the community which is surely the eventual goal.

I might say that we have our religious schools, particularly in the northern regions of the province, and I have in mind particularly the Roman Catholic, Anglican and Presbyterian schools in that area. Were it not for them, I think our Indian people would have been without any educational training at all.

But the position, as it is carried on, is becoming, I submit, more and more untenable. We have a situation where these young people are brought from the farthest reaches of the province. Certainly many of them are in a totally native state. They are brought into our Indian residential schools for a short period of years, and, then, when they are too young to go into any other employment, and in the absence of other educational facilities being available to them, they return to the woods, and, of course, the value of any education they have received is not of much use to them.

There are those who get out in the world and are ill-equipped to meet the requirements of this day and age through lack of education. These people find themselves in serious trouble, as documents such as we receive from these rehabilitation organizations will reveal.

It is a serious situation, and I will back the hon. Minister in any attempt to exert pressure on the federal government to take over the education of our Indian children of this province on the same basis as our own children are educated; and I certainly agree it should be paid for by Ottawa.

There is another subject which I would like to discuss at not too great length today. But I do want to raise it. It is a matter of great importance, and a touchy subject, and I would ask the attention of the House to my remarks because I have no desire to stir up any serious controversy.

I want to present what I think is a rather important educational problem, and one about which this Legislature has to do something if we are going to adjust a situation which, in my opinion and in the opinion of many other people, is not quite as tenable as it should be.

In the setting up of the constitution of this great nation, it was recognized in section 93 of The British North America Act that separate schools were to be established at the desire of any particular religious group. They were to be set up as a right and a privilege. This matter has been debated certainly in the federal House of Commons for many years back; it has been before the courts, and I do not think there is any need to discuss it any further, except to say that constitutionally that right is there for any religious group in the province.

In later years, I think as recently as the mid-1930's, this Legislature, in its wisdom, decided there was to be no change, and certainly no procedural change, in the allocation of taxing powers and taxing rights in the province of Ontario. So we can leave that part of the subject, too, because these things have been resolved, and to a large extent have been accepted by the citizens of the province.

But there still remains this difficult situation, and I am drawing it to the attention of the hon. Minister and hon. members of this House today, to see what can be done to resolve it.

The situation is this: We have in the province of Ontario only a small proportion of pupils who actually proceed to acquire further education in our colleges and universities. The greater proportion of children entering our elementary schools — something like 85 per cent. — go no further than the secondary school level, and certainly fill the ranks of those who man the trades and some of the lesser technical requirements of our society.

In pointing out the difficulty, I am not intending in any way to discuss the constitutionality or legality of any of this legislation. What I am setting out to say is that, in this society of ours today, we find a situation which is rapidly growing worse, where a large—if not so large, certainly a very important—percentage of our population is not receiving the kind of education which it should be, because in a large number of our separate schools in Ontario, the boards and trustees are not in a financial position to provide these services and pay the salaries required to secure the best type of recruit and, certainly, students, for the teaching of those pupils in those schools.

This is what happens—I know it happens in my riding, and I am quite certain that it does in many others. To avoid any disturbance in the rate in any particular municipality, the council of that municipality will usually manage to get the public and separate school boards to agree that whatever the one rate is, the other will be.

The way it works out is this. After the municipal rate has been struck, including the school rate, the separate school supporters—that is to say, those who have children attending separate schools—have to raise a substantial amount of money in addition to taxes they have already paid.

I can assure this House that the addition may not seem too serious on the surface. But to an individual who is making an average salary—and the Ontario average as reported by The

Department of Labour at Ottawa is \$67.12 in skilled trades—I would suggest that on an average weekly salary of \$67, a man who has to support a family and pay all the other normal taxes, and who is asked to reach down and find some \$100 to \$300 more to provide for the education of his children—I suggest it is becoming a burden which will soon become impossible to bear.

The financial burden is having its effect, too, on the recruitment of teachers for these schools, particularly the lay teachers. I was actually quite startled in going through the manual of schools and teachers in the province of Ontario, which the hon. Minister is kind enough to make available to everyone, to find some startling salary comparisons. I am not talking now about religious teachers, I am talking about lay teachers in separate schools—and this is what we find:

The maximum salary paid in Ontario during the 1955 school year—I picked a few representative centres in Ontario—the public schools in Ottawa paid a maximum salary at the elementary level of \$7,650. That of the separate school was \$3,950. In Toronto, it was \$7,900 against \$3,795; in Hamilton, it was \$7,850 against \$3,700; in Fort William, it was \$5,760 against \$3,400; in Port Arthur, it was \$6,050 against \$3,200.

In the entire district of Kenora, \$5,040 was the highest public school salary paid, at the elementary level, and the highest separate school salary was \$2,400.

As a result of that, I do not know whether it was an oversight or whether it was just something inadvertent which was done. But, I went through, very carefully, a booklet which was left on our desks the other day entitled, *Teaching in the Elementary Schools of Ontario*. I notice there is not one reference in the booklet suggesting that anyone should enter the teaching profession in the separate schools of Ontario. On the

second page of the booklet it relates, and I quote:

In public schools during 1955-1956, the average salary for men was \$4,289, and for women \$3,504.

Nowhere in this booklet is any reference made to the opportunities which may be available in separate school teaching.

I submit, Mr. Chairman, that this is actually a very serious situation because, in going into the average salaries paid across Ontario to lay teachers in separate elementary schools, we find the average salaries of these people right across the board are at least 40 per cent. less than the average paid to persons of like qualification in the public schools.

If hon. members will consult the *Parliamentary Guide*, they will see I do not belong to any particular religious group that has separate schools in Ontario. But I am concerned very deeply about the approaching impossibility of these separate school supporters being able to provide the extra money to maintain their schools.

Secondly, I am concerned with the fact that the separate school system, as such, is not able to recruit and pay the salaries to the qualified individual they should have in their separate school system.

One answer to the problem may be a reallocation or a different kind of allocation of the legislative grants to the elementary schools. I do not know. I am not intending to tell the hon. Minister of Education what to do, because he has been in the field of education perhaps longer than I will ever have anything to do with it. He is far wiser than I will ever be in these matters. But I do suggest it is a situation which will have to be faced.

Take the increase in grants to teachers' salaries in metropolitan Toronto, and apply that increase over the average daily attendance for the year 1955 in metropolitan Toronto schools. If we do so, we find that they will receive an increase of something like

\$969,000, which is a very desirable increase.

The separate school system in metropolitan Toronto—using those same base figures, and they are the last we have available — will receive something like \$3,100.

Some people will suggest to me, as they already have, because I have discussed this problem with a number of people: "Well, after all, you must understand that in any religious schools, regardless of what denomination they may be, there are people who, because of some personal desire, do not, or cannot, receive any income for their services." I say that in the allocation of these grants there should be, and must be, a recognition of equity in qualification.

I think the present situation is a bit ridiculous. After all, we are talking about educating Canadian citizens in this land of ours. Everyone is free to belong to his own church, his own political party and associations of one kind and another, and we simply must realize and admit that it is not fair that because one person belongs to a religious order, although he has qualifications of an excellent nature for teaching at the elementary level—a Bachelor of Arts or other degree — we find we are paying a far smaller grant for those qualifications than we are paying for the same qualifications in another school.

I have no desire or intention to engage in any religious argument on this matter at all. In fact, I would refuse to do so. But I am suggesting to the hon. Minister, and certainly to the government, that we are following a very short-sighted policy indeed when we are giving quite extensive grants, and quite rightly so, to religious universities and colleges, yet we are not going to be able to produce the kind of students who should enter those colleges.

I am not one to criticize grants to any school of higher learning, I have a keen desire to see our Canadian universities, of whatever denomination or under whatever jurisdiction they may be, the best we can possibly make them. Grants

to these colleges, no matter which ones they are, are highly desirable and should be continued and enlarged. I do feel that, in following a policy whereby we are giving large grants at the college level, yet discriminately lower grants at the elementary level, we are discriminating, and quite seriously, against one section of the population.

As I said earlier in my remarks, a large section of our society has children who never reach the college level, and while we may be providing excellent facilities for those who do reach the college level, we have to provide the same kind of superior instruction to those who perhaps will get no further than grades VIII, IX, or X, and who are going to take their place in the trades across this province of ours.

Without trying to raise any animosity, or deal with a subject which I know has been "touchy" in this House, and "out" for many years, I do seriously recommend that we face this matter squarely. I do not look for an immediate answer to the problem, but we have to look for some reasonable, just and equitable division of grants in this province.

I am not talking about corporation taxes at the municipal level because, as I said, this has been decided. What I am looking for is some fair and reasonable adjustment to the present-day needs of elementary education in Ontario. We are seriously neglecting education today at the separate school elementary level.

HON. MR. FROST: There is one point I would like to correct in what the hon. member has said, that we are giving disproportionately larger grants to the seats of higher learning than we are to primary and secondary schools. That is not the case. In fact it is arguable that, because of the great pressures put upon us in connection with the costs of primary and secondary education, we are perhaps not as generous with the seats of higher learning as we should be.

We are faced with constitutional difficulties, and I do not think this is the time or the place, or that it would be

fruitful, to go into those matters. University-wise, we have endeavoured to meet this situation in the schools of higher learning.

Since the hon. member has brought up this point, may I say it was this government which commenced grants to operating universities. They were never made, in history, before this government entered into the picture. We made grants that would assist universities and which were a very great need to this nation.

First of all, we gave assistance to the medical schools, and more recently, this year and last year, we have extended those services to the engineering and science faculties.

Frankly, we have endeavoured not to cut off the university teachings of any school or any faith, and in doing that we have followed the traditional plan in Ontario.

In the city of Windsor, for instance, we have been very glad to co-operate in the joining together, under the aegis of one university, two seats of learning. The Assumption University of Windsor, of the old ancient Assumption College, goes back to almost the very beginning of the Assumption parish there. Then we more recently founded Essex College, and those two have been united together in a manner in which the government can contribute grants to that university without putting itself in the position that we were contributing to any particular religious faith.

That is also true of the University of Toronto, where we have Presbyterian, Anglican, Roman Catholic, and United Church colleges. We have contributed there in a way which, I think, developed over the years, has met the situation.

I would point out to the hon. member that we are not contributing disproportionately to the seats of higher learning. It is very arguable that the converse is the case. I think that is a view which is very substantially held, that while our grants to the universities have increased very much in the last few years, nevertheless we are faced with great flood

tides of students who are going to come into the seats of higher learning.

This will mean that our university population in Ontario will increase from 20,000 or 22,000 at the present time, to possibly 90,000 in the next 20 years.

I would say that it will be seen in the budget, the estimates of which we are presently debating, that we are coming along with another seat of higher learning in the city of Kitchener. In Kitchener we have a Roman Catholic and a Lutheran college. I believe a sensible agreement is being worked out, by which we will bring along that set of colleges into another university which again, I can assure the hon. member, will meet, I believe, the denominational requirements of our people in a very satisfactory manner.

As regards the other point which the hon. member mentioned, I am very interested. I may say we have endeavoured here to show our sympathy to primary and secondary education in a very practical way. There is the constitutional problem arising out of the old pre-Confederation Act. Nevertheless, we have endeavoured to extend equality of opportunity to the children of Ontario, regardless of where their parents might come from or their status. I would not for a moment suggest that we have brought equity in every way. But, I would say that we have done a very substantial job.

As was pointed out by the hon. Minister of Education in his preliminary remarks on the introduction of his estimates, we have embarked on a 3-year plan in education, one which I believe is going to be very highly improved.

This year we are faced with this: There is only one equitable way upon which a better system can be worked out, and that is on the basis, as has been stated here, of an equalized assessment across the province. We might as well face facts, that is so. We have made, I think, very great progress in relation to that.

We had hoped that we would have our equalized basis ready, and that we

might be ready to proceed with it this year. We found it impossible to proceed with that because of administration and other practical difficulties which are evident in the House.

In the next month or two, which will be too late for this year, we will have a practical form of equalization of assessment across the province. We are presently studying ways and means of bettering the grant system in both primary and secondary schools, so that we will be able to meet all of the difficulties, all of the inequalities, which exist. I would not for a moment say that such would be possible, but think we can evolve a system which is better than the present system or the one on which we have operated.

I would point out to the hon. member that much of the emphasis has been changed by the great development this country has experienced. The school boards, public and primary, in some of the larger cities used to be the rich relatives. Much of that has altered because of the pressures of growth, and because of our grant system. We are paying, to what used to be some of the poor schools and still are poor schools, up to 92 per cent. of the cost of education. In many of those areas there is not a financial problem existing because of the high grants that are paid.

There are undoubtedly arguments on both sides of the picture. The teachers' federation, representative of both public and separate school teachers, argue that salaries are too low. We have endeavoured to improve that, and unquestionably there has been very great improvement in that situation with relation to very many of the teachers in the separate school system, whether they be lay teachers or religious teachers.

I think that is quite true, although I think the hon. member raises a point there.

But I would say that this year we have endeavoured to emphasize assistance in connection with the primary school system. First of all, as we commenced to do two years ago, we have raised primary school per pupil grants

from \$6 to \$8. The effect of that has been to assist, in a marked way, schools that have the larger school population.

The hon. member mentions the difference in the contribution to teachers' salaries. There is a great deal in what the hon. member says. Perhaps, on the other side of the scale, it does assist certain schools and areas somewhat more than others. Perhaps the effect is not yet even across the board, but I say to the hon. member we are experiencing very great difficulty in meeting that situation.

Common to most school supporters, representative of the two school systems we have in the province of Ontario, is the assistance given to secondary schools. This year, the grants have been raised from \$6 to \$20, \$25 and \$30 per pupil. It is well to remember that this is something which will assist the taxpayers across the board.

The third point is, quite obviously, one which the hon. members will have to size up, and that is the change in what we term the unconditional grants at a municipal level. In these grants we are intentionally assisting the home and farm owner to a very great extent. The unconditional grant system is calculated to assist both the home owner and the farm owner. It is designed to help the schools, but it helps everybody, although particularly it helps those schools which depend upon the home and farm assessment for their income. I would say that is its particular purpose.

I was very interested in the remarks made by the hon. member, and I take this opportunity of saying that we have taken very practical steps to give considerable assistance in those very matters. Not that we have entirely solved the problem, or that any government can solve all of the difficulties in this matter—that would be something I very much doubt could happen.

But we are doing much to better the situation. It is immeasurably better than it was. There is more equity of opportunity, in this province, both in public

and separate schools than there ever has been before.

I do believe that situation is still improving. I hope we can devise, in this coming year, a new system of grants which will be the second step in this question. If we do, it will go a long way to resolve some of these problems.

I would not, for one moment, assert to this House that it would be possible for any human agency to devise a "perfect" system, bound as we are by certain constitutional usages; I do not think we could ever devise a system that would meet entirely all of the checks and balances of the situation. But I can assure the hon. member that we are constantly striving for a betterment of all of these differences, and among them is the one which the hon. member mentions.

MR. WREN: Mr. Chairman, I would just like to say, by way of a short reply, that the hon. Prime Minister said in a different way precisely what I was saying earlier. That is, that the government has done a great deal for education in these religious schools at the university level. I make no criticism of that at all. I said, at the outset, it was highly desirable, and still say so, to all of our colleges and universities.

But the point I made, as I think the hon. Prime Minister knows, was that the special grants made at the college level for religious schools was disproportionate to the special funds made available to separate education at the elementary level.

I think I have enough vision to see what is behind this 3-year plan of industrial assessment and taxation. It is a move in the right direction, and if my thinking is right, what the hon. Minister of Municipal Affairs (Mr. Warrender) and the government are going to do in the next 3 or 4 years is to separate industrial assessment from school purposes altogether, and apply grants directly to the assistance of taxation of the homes.

If that is so, it might well in the future eliminate the situation. The gov-

ernment has not announced that policy, and we will be interested when it does.

HON. MR. FROST: I would say to any hon. members opposite that what we are doing this year is making a sweeping reform in real estate taxation. There has never been anything like this attempted in the province. I do not want to use words that are debatable when I say "sweeping reform in real estate taxation", but I think hon. members will agree we can get on common ground on this point. If we were to carry it too far in any one year, we would create very grave difficulties.

MR. WREN: I am pleased to hear the hon. Prime Minister's remarks.

HON. MR. FROST: I have here a letter from the Canadian Manufacturers Association and they say it is discrimination. They are in favour of a system which would help real estate and farm owners but, for goodness sake, they say, find some other method of doing it.

That, of course, is the difficulty. This is a very equitable and reasonable way of doing it, and I think we have made a very reasonable approach.

One of the hon. members might ask: "Why not take all of our school grants away from industrial assessment and apply it to homes and farms?" To do that would be a complete reversing of the system; this would be disrupting and onerous.

I would say we must follow out this system in a gradual way, not in one "fell swoop", otherwise there will be too much cost on one segment of our population, and we might adversely affect the settlement of this province.

What we have done is going to be of very marked benefit to the home and farm owner this year. But, at the same time, I do not think it is going to be such as to dispose disparities and place an undue burden on commerce and industry.

To place such a burden on commercial and industrial assessment would be

doing something that is not supportable. Initiating this method is quite radical and far-reaching, and I think we are doing it in a way which is not hurtful to industry.

I do not agree with the argument that it is a discrimination. I do not think it is going to be anything of the sort. And it is a reasonable way of approaching and dealing with a very difficult problem in trying to rationalize the system of taxation which has grown up since the very commencement of this province.

MR. J. J. WINTERMEYER (Waterloo North): May I ask the hon. Prime Minister whether the suggestion I made in the Budget debate—that is, that he approach this problem in terms of a per classroom assessment—would be in conformity with the thinking of the government at the present time?

HON. MR. FROST: I would say that a per classroom assessment has to be tied up with school population.

The great problem, when one gets down to it, is not the question of classrooms—although that is important. It is the number of pupils which have to be taken care of. Frankly, that is what we have been doing since 1950, as the hon. member noted.

Prior to the grant system of 1950, there was comparatively little emphasis upon school population. I would not say that that was altogether true, but it was quite substantially true.

With the introduction of the grant system in 1950, we abandoned the basis of costs, which had been calculated to make the rich grow richer and the poor grow poorer.

We turned at that time, in 1950, to the very large factor of school population. I have not found anything that would turn me away from that, although I would not reject the proposal that school rooms might be considered.

But I would point out to the hon. member that there may be two school rooms of equal capacity, and one may be

jammed with 40 pupils and the other one have 15. The point can be seen that the equity lies really with the classroom and the school having a large population.

MR. WINTERMEYER: I quite appreciate that, Mr. Chairman, but with deference I would like to pursue this for a few moments. What the hon. Prime Minister says is basically right, but to my knowledge what the hon. member for Kenora has said is fundamentally correct—and the hon. Prime Minister agrees with it.

I suggest that the problem is not with reference to the separate schools but it is in the assessment basis as such, and he will agree, surely, that the first step may necessarily be an equalized assessment.

The question is, what ingenuity are we going to exercise after we have done that? That is the preliminary step.

In my riding, in the city of Waterloo, I believe the government is contributing on the per capita basis approximately 22 or 23 per cent. of the total cost.

My complaint on the per capita grant is that, whereas it is good and equitable insofar as it goes, it has a tendency to mislead us into believing that it cures all inequities; and the inequity that really arises in the fundamental stage is the fact that most municipalities, and the big bulk of our population, are paying approximately 60 or 70 per cent. of the cost of education at the municipal level.

That cost is being borne by the land owners, and my suggestion was an effort to try to suggest to the government that after it has effected the equalized assessment, it take the next logical step and decide, with good common sense, on something which would go towards the cost of education. Supposing it was 20 mills, or whatever we decided was the equalized assessment basis. It is the fact that in certain areas a 20-mill levy on the assessment on a particular school will not be anywhere nearly sufficient to pay for 75 per cent. of the cost of education in that area.

I have suggested that the government consider the advisability of making

another determination, which could be made arbitrarily, I agree, but very reasonably and very judiciously, and that is what should it cost the province of Ontario to provide, not the average type school room facilities, but the type of facilities we expect in Ontario today, which is at a high level, on a per classroom basis, and to determine how much money can be raised at the 20-mill rate, and then the government could make up the difference between those two figures.

I quite agree that I can be attacked by it being said that a per classroom grant does not reflect population as such, because there are varying numbers. That is true; but it is incidental. I would like to direct the attention of the government towards the suggestion that it consider the advisability, not of treating everybody equally, but of making up, in the form of subsidies, amounts to areas which do not provide enough revenue from the equalized assessment basis. To run a school, or a classroom, in a haphazard fashion is not what is expected of our educational system in Ontario at the present time.

What one calls it I do not care, but I am suggesting that this government vacate the pupil grant system, because I think that, while I would agree with the hon. Prime Minister that if the entire cost of education were borne on a per pupil grant basis that would be the ideal, I do not think the hon. Prime Minister would suggest that the government should pay 100 per cent. of the cost of education, because it is reasonable to have some responsibility at the municipal level.

If we accept that concept, we have to exercise some real imagination, ingenuity and fairness in the determination of a new formula, and I would definitely suggest to the government that the per capita grant system must be vacated if we want to effect equality and equity in the net result.

HON. MR. FROST: I would say that experience proves this: that in no school grant system could one take any one factor and say that it would be

entirely satisfactory. There must be a combination of factors. That is perfectly plain.

I do not think that the assessment factor, taken alone, is an answer to the problem. I think we have to take some other factors into it, and that is what we are doing.

I would say to the hon. member that if it is ingenuity that must be used, if that is what he wants, then he should turn to this side of the House. We are full of ingenuity.

The question of the separation of industrial and commercial assessment from that of the home and farm assessment, I think he will agree, is ingenious, and in a way which is typical, I can assure him, of this side of the House.

MR. D. C. MacDONALD (York South): This is the equivalent of the social credit handout in the western provinces.

HON. MR. FROST: Oh, no.

MR. MacDONALD: It is exactly the same thing.

HON. MR. PORTER: Is the hon. member against it?

HON. MR. FROST: Does the hon. member oppose that?

MR. MacDONALD: But the hon. Prime Minister is berating them —

HON. MR. FROST: I would say that it differs in that it is not taxable. There is no question about that.

MR. MacDONALD: The hon. Prime Minister may have a point there.

HON. MR. FROST: I think we have a point there. It is a very practical system, and I can assure the hon. members opposite that we will be prepared to use ingenious and practical methods to solve this great problem.

MR. WINTERMEYER: May I ask when these ingenious revelations will come to the light of this House? After all, this is the time to debate these issues.

HON. MR. FROST: That is right.

MR. WINTERMEYER: I think the government has taken a practical first step. But from now on we can follow divergent courses, some of which are good and some bad and we should now determine which course we should follow.

I will agree with the hon. Prime Minister that the assessment as such is not the only thing to take into consideration, but I would recommend that we do not get so many factors into this that it is hopelessly complicated. It should be a simple solution based on equalized assessment. Revert to the system of subsidy, which was originally what the grants were intended to be, and I think the government should seriously consider whether the per capita grant system is the answer.

MR. T. D. THOMAS (Oshawa): It is very interesting to review the discussion of the county assessment programme. I think this government has, for over 11 years, tried to get an equalized assessment in the various counties of Ontario; 11 years have passed by and, according to the statement of the hon. Minister of Municipal Affairs in the Legislature last Wednesday or Thursday afternoon, there are only 600 out of 973 municipalities under the county assessment.

The hon. Prime Minister mentioned this afternoon that we have to devise a better way, and I think it is long overdue after 11 years. What is the other way?

Well, according to the hon. Minister, the other way now is that we go into different municipalities and take spot-checks, and in that way we are supposedly to get a uniform system of assessment throughout the province of Ontario.

Mr. Chairman, I believe there is some other way; this government will have

to find another way, and perhaps the suggestion of the hon. member for Waterloo North regarding a classroom basis might be an answer, or at least worth consideration. I do not think this government will get a satisfactory uniform provincial system throughout the province of Ontario in the next 4 years, never mind in the next year.

MR. R. WHICHER (Bruce): Mr. Chairman, I wish to speak for just a few moments on something about this teacher shortage which is rumoured in the province of Ontario, strictly as far as elementary schools are concerned.

For the past 3 or 4 years, there seems to have been a game played in this province, because the hon. Minister of Education and the officials of the government go around on various platforms and say there is no shortage of teachers in the province. At the same time, members of the Ontario teachers' federation, which certainly has some knowledge of the education of this province, go around immediately behind the hon. Minister, the hon. Prime Minister, or any of the hon. Ministers of this government, and say that there definitely is a shortage.

To review the situation and to build up my case, I will agree absolutely 100 per cent. with the hon. Minister's statement in one respect. To my knowledge, there is no classroom in the province of Ontario at the present moment that has not a teacher to look after it.

However, I dispute the word "teacher", because I wish to emphasize that some of the people who are so-called teachers in this province are not looked upon as being qualified by their own peers, the teachers' federation of the province of Ontario.

What is most important is the fact, not that there is a person in front of our children, but the qualification which that teacher has, because having a person at the head of the class does not mean that every classroom has a teacher. The calibre of the teacher is what is most important, and in order to build up my case once more, I repeat

that the Ontario teachers' federation does not consider that the emergency summer courses produce a qualified teacher until that student has completed a full year at a teachers' college.

I wish to remind the hon. members that in 1952, as has been stated in this assembly during this session, the hon. Minister of Education stated that there would not be any lower qualified teacher than a grade XIII student with 8 subjects. Yet, in the same year, 1952, an emergency course was set up whereby these students from grade XII could take a 6 weeks' course and then go back and teach in the same schools that they had left only 4 years before. This is the situation in many schools in this province, many of them rural schools.

MR. WARDROPE: Wiarton?

MR. WHICHER: Maybe Wiarton, maybe Port Arthur. A large percentage of these junior students are of the female sex, they have attended high school for 4 years, taken a 6 weeks' summer course, then go back to a public school and teach, possibly in the same school that they attended only 4 years previously.

I am thinking of one case where we have a 17-year-old girl, I think she is doing quite a good job with the qualifications she has. She went back to the same school and there she is teaching 3 or 4 boys who are 14 years of age, and perhaps next year when they change these teachers, these boys will be 15 years of age.

Throughout this province are many children who are perhaps not quite what we can describe as brilliant students, and there are many boys of 13, 14 and 15 years of age still attending school, who can be taught by a 17-year-old girl with only 6 weeks' training.

I ask hon. members, do they think that is a happy basis on which to educate the children of this province?

HON. MR. NICKLE: Next year she will be 18.

MR. WHICHER: Maybe she will be moved to another school and perhaps if she is any good, the city of Toronto will increase the salary and bring her here.

What I am trying to prove to the hon. members is that there is a shortage. Surely this is self-evident, because the only people in this province who think there is no teacher shortage, as far as elementary schools are concerned, are the hon. Minister of Education, the hon. Prime Minister and the hon. members of the government. Every newspaper in this province, the teachers' federation, and all people who know anything about it except the hon. Minister of Education and his colleagues say there is a shortage.

HON. MR. DUNLOP: Mr. Chairman, should not the hon. member include the Ontario trustees' council? They are satisfied.

MR. WHICHER: If they are satisfied, I am quite happy to know about it, because they are the only people who are. Every newspaper says the province has a shortage.

MR. MacDONALD: When did the trustees' council say this?

HON. MR. DUNLOP: Mr. Chairman, the Toronto *Daily Star*, yesterday, said there was a high school teachers' shortage, but abandoned the idea of the shortage of elementary teachers.

MR. WHICHER: The only reason they did not say there was a shortage of public school teachers was that the man who wrote the editorial was just dealing with high school education. Tomorrow the hon. Minister will read about the shortage of elementary school teachers.

HON. MR. FROST: They change their tune all the time.

MR. WHICHER: I wish the hon. Prime Minister would change his tune, because a man who has done so much

for "Old Man Ontario" should be willing to admit that it is not proper for a 17-year-old girl, with only 6 weeks' training in a teachers' college, to teach for one year in a school which she had left only four years ago. Surely the hon. Prime Minister would admit that? It is as evident as day from night.

HON. MR. FROST: Some of those young people are the very best we have.

MR. WHICHER: I agree they are very good, and after a certain amount of training, they will be very good indeed.

HON. MR. DUNLOP: Speaking of the federation, may I tell just a little story? A certain past president of that organization came to me when I was establishing the 10 weeks' summer course, to blast it in every way and say it must not happen and so on. After I had told him it was going on in any case, I discovered, without his knowledge, that he had sent his own son to that course, and in the autumn he had engaged 6 teachers from the course.

MR. MacDONALD: That does not deny he may think this was an inferior kind of training.

HON. MR. DUNLOP: They are doing wonderfully fine work.

MR. WHICHER: The point is, if we cannot get anyone else, naturally we have to take what the hon. Minister of Education provides. There is no doubt about that whatsoever.

But how was it in 1952? Denying there was a shortage, the same as he is doing today, he said that from then on only grade XIII students would be accepted. Yet in the same year, he put the requirement down to grade XII, with only 6 weeks' training. What is going to happen next year if we have a further shortage? Will the hon. Minister bring it down to grade XI? The people of grade XI are just as good and as fine students as they are in grade XII;

is he going to bring it down that far, because in another 5 or 10 years' time the school population will have risen considerably, and where is he going to get his teachers then?

HON. MR. DUNLOP: I did say that those who entered the teachers' college for a one-year course would have to have 8 A papers of grade XIII. That is true enough. But there is another course, the two-year course, to which grade XII people are admitted. Therefore, in the teachers' college they can take a year rather than staying in the high school for a year, and they get both professional and academic education.

MR. WHICHER: It takes two years before they can enter that college?

HON. MR. DUNLOP: No.

MR. WHICHER: Yes.

HON. MR. DUNLOP: I am speaking of another course. The youngsters finishing grade XII can enter the teachers' college right there, and then when he or she has finished grade XII, take a two-year course.

MR. WHICHER: They can, but it is not necessary.

HON. MR. DUNLOP: It is not necessary.

MR. WHICHER: That is the point.

HON. MR. DUNLOP: Then there is the other way. It involves a 6 weeks' summer course, a year of teaching, a further 6 weeks' summer course, another year teaching, and then a year in teachers' college. The principals tell me they are the best students they have.

MR. MacDONALD: The hon. member for Bruce has permitted me to interject this one thing. The hon. Minister has said that the Ontario school teachers' council claims there is no teacher shortage. Now, in their brief this year, dealing with secondary school teachers —

HON. MR. DUNLOP: No, in elementary.

MR. MacDONALD: In elementary?

HON. MR. DUNLOP: That is what we are talking about.

MR. MacDONALD: Because there is a trustees' council resolution here that speaks of the teacher shortage.

MR. WHICHER: There certainly can be no shortage as long as the hon. Minister keeps bringing down the qualifications. There will never be a shortage. He will always have a person there in front of those students, there is no question about that.

HON. MR. DUNLOP: For every mediocre teacher whose case the hon. member can cite, I can give him 50 or 100 cases of successful teachers. There is the occasional failure, of course.

HON. MR. FROST: I would suggest to the hon. member that we get down to the facts.

MR. WHICHER: That is what has been going on, and now I suspect the facts have been somewhat distorted.

HON. MR. FROST: Mr. Chairman, let us look at the problem we are faced with in Ontario, and what we have been doing about it. The Department of Education and the teachers' colleges have been doing a marvellous job in Ontario, and I would say to the hon. member for Bruce that it ill behooves him to engage in hysterical outbursts that are based upon nothing.

MR. WHICHER: That is what all the papers are saying now.

HON. MR. FROST: I would say that if the hon. member would stop reading articles and speaking about everything he hears and is talked about, and get down to facts, he will do a lot better.

That is the problem. He does not do that. He "flies off the handle"; he grabs hold of anything he has been told or heard, and then makes a speech about it, right or wrong.

May I point out to the hon. member what the situation is. For many years the population of this province was static, or I would say it was, in the days before this government, when its progressive policies came into office.

MR. MacDONALD: The policies of Victoria.

HON. MR. FROST: I would not say Victoria. The Victorian age was the period in which the hon. members of the opposition sat on the treasury for so many years and Ontario went backward instead of going forward.

Now, what is the situation today? Ever since 1948, at a time when the policies of this government for progress and expansion formally took hold, there has been a great growth of the population and the school population of this province.

May I point out to the hon. member on this 12th day of March, 1957, to round out the date, that on September 1st next, we are going to have 70,000 more pupils. In the meantime, this province and the municipalities have to find rooms, books and teachers to look after them.

I do not think it does the hon. member much good to take some of these bright young people, men and women, 16, 17, 18 years of age, and say they are inexperienced and not capable of looking after the children of this province. A lot of them are smarter than some older people, and have greater capabilities in teaching the younger generation.

It is true they are not experienced, but how would the hon. member expect the teachers of this province, in face of this very great challenge, to gain the experience unless we take these bright young people and count on them to help pull us through?

MR. WHICHER: Why not take them at the age of 14?

HON. MR. FROST: All right, I would say to the hon. member that I do not think age is a disability. There are many children 16 and 17 years of age who could do a marvellous job in teaching, particularly in an emergency such as we have.

There was a reference to this in the Throne speech, that 15 to 20 years from now we are going to double the school population in a school system that we built up since the days of Governor Simcoe, 165 years ago.

In other words, in the next 15 or 20 years, we are going to have children here who will double the number of children that we have at the present time.

Members of our Department of Education, and others elsewhere, have to do the best they can to meet that situation, and further, in face of the emergency that they have been faced with in these last few years, they have done a marvellous job. Their job is so well done, and they have been doing such a great job, that I think we can trust their vision and their foresight to appraise the problems of these coming years and to meet them satisfactorily.

That is the answer to hon. members of the opposition across the way who are always saying, "The government cannot do this." They were born with "cannots" on their lips, "You cannot do this." That has been the story over these years.

The predecessor of the hon. member for York South once stated that there was going to be a depression, for sure, in 1946.

MR. MacDONALD: That is why the hon. Prime Minister refuses to put casuals on the pay-roll, because there might be a depression and the government won't need them.

HON. MR. FROST: The hon. members in the Liberal group have always

taken the position: "You cannot do this, you are going to run into disaster."

MR. CHAIRMAN, this province is going forward in a soundly progressive way, and I think the hon. members of the opposition can be satisfied that a good job is being done.

THE CHAIRMAN: I would say the hon. member for Bruce, in suggesting that the hon. Prime Minister distorted the facts, is using unparliamentary language.

MR. WHICHER: I do not understand.

THE CHAIRMAN: He made the statement that the hon. Prime Minister distorted the facts.

MR. MacDONALD: This is a tender affection that has suddenly flowered in our midst.

MR. OLIVER: What the hon. member for Bruce said was that he expected the hon. Prime Minister would distort the facts, and so he has, so where is the issue?

THE CHAIRMAN: The language is unparliamentary, and I will not accept it.

MR. WHICHER: I do not think I will continue very much longer, because I do not want you, Mr. Chairman, to be worried about my language. What the hon. Prime Minister said in his speech, and he makes 9 or 10 every day, but what he said in the seventh speech is as follows: "Ontario has grown and there are going to be 70,000 more students." What is the hon. Minister going to do about it? That is what we want to know, as far as teaching is concerned. Why does the hon. Minister not admit there is a teacher shortage in this province of ours? That is what makes us so very suspicious. If the hon. Minister will not admit the obvious, I wonder what would happen if there were certain things brought out that are not so obvious.

I would suggest that the hon. Minister of Education admit the facts and become a realist, and say we really have a teacher shortage in this province, and that the hon. Minister sit down with his colleagues and decide what they are going to do about it.

I understand the hon. Minister is bringing, and rightly so, a couple of hundred teachers from the British Isles as an emergency measure, and with such measures I heartily agree. But if the hon. Minister can bring out a couple of hundred, why not bring out 1,000, and make a good job of it, and then there will not be a teacher shortage in this province?

HON. MR. DUNLOP: Then there will be a teacher shortage there.

MR. MacDONALD: We are poaching on their limited skills right now.

HON. MR. DUNLOP: We cannot take too many.

MR. WHICHER: As long as there is no definite plan presented to this House for the future of the public schools, and as long as there are many unqualified teachers teaching our own children, who are the most precious things we really have, and, I repeat, unqualified not insofar as ability is concerned — the ability is there but they have not had a chance to become qualified — as long as the hon. Minister supports such things, surely, the people cannot have too much confidence in his department.

HON. MR. DUNLOP: Would the hon. member explain this — there are a good many independent schools: Upper Canada, Havergal College, Bishop Strachan, and others; and a great majority of the teachers in those schools are not trained at all, professionally. Yet they do good work and they do not even have the six weeks' course, yet they produce scholarship pupils.

MR. WHICHER: Is the hon. Minister putting forth the argument that we should do away with training altogether?

HON. MR. DUNLOP: No. I am suggesting we are not giving the youngsters enough credit for their ability. They can work perfectly well almost under any circumstances.

MR. WHICHER: There is one more question I would like to ask. Does the hon. Minister think this is good business — where a young girl 17 years of age can go back, under the laws of this province, 4 years after she left school, and teach in that school, in a country school where there may be 8 different classes?

HON. MR. DUNLOP: Of course, it has been done for over 100 years.

MR. WHICHER: And does the hon. Minister agree that is a good thing to do?

HON. MR. DUNLOP: Certainly.

MR. WHICHER: And does the hon. Minister think the people of the province are happy about that?

HON. MR. DUNLOP: Yes.

MR. WHICHER: And the teachers themselves?

HON. MR. DUNLOP: Certainly.

MR. MacDONALD: Mr. Chairman, I want to make some general comments. I listened with a great deal of interest to what the hon. Minister had to say the other day about the shortage of teachers at the secondary school level. I checked in this report prepared for the Ontario teachers' recruitment council established to deal with the crisis which the hon. Minister says does not exist.

I discover they have had prepared for them a brief by a man — presumably the hon. Minister is going to dismiss this and say he knows nothing about it — but it was prepared by Dr. W. G. Fleming, director of research in the Ontario College of Education. Dr. Fleming has

prepared a brief, which can be procured for the sum of \$1. It is entitled *Estimates of Teacher Supply and Demand in Ontario Secondary Schools, 1957-1972*. This is Dr. Fleming's estimate.

HON. MR. DUNLOP: May I say this: this man is Professor W. G. Fleming, with a doctor's degree, and he belongs to the educational research branch of the Ontario College of Education. I encouraged him to do this, and I am very happy he has done it just for this reason: I asked for a statement of the worst that can happen, which he has given me. I am getting ready to prepare for the worst that can happen and I am going to do it.

MR. MacDONALD: I just want to draw to the attention of the House the proportions of the crisis, in case the hon. members may have been misled as to what may happen by the optimism dripped upon us by the hon. Minister on this issue. This is the Ontario teachers' recruitment council which is going to have —

HON. MR. DUNLOP: And to which I have made reference.

MR. MacDONALD: Yes. It points out on the most optimistic basis, a ratio of one teacher per 25 pupils, at the end of the year 1957-1958, there will be a shortage of 321 teachers in the province of Ontario at the secondary school level.

Without going through year by year, let me cite further figures: By the end of 1960 there will be a shortage of 1,055 teachers. By the year 1965 there will be a shortage of 2,626. In 1970, there will be a shortage of 4,386.

How the hon. Minister is going to fill this shortage is the real question. He says, for example, one solution is that he is going to go over to England and get a couple of hundred teachers this year. I want to say to the hon. members, and especially to the hon. member for Bruce, although he has left us for the moment, that I am not so happy as he is about

going over and poaching on the limited skills of Britain and European countries to fill the gaps for our own needs, when we ourselves have done too little to fill those gaps ourselves. What we are doing is poaching on the limited skills of Britain and Europe; it is, basically, not a good thing to do and nothing we should be proud about.

HON. MR. DUNLOP: They are very anxious to come.

MR. MacDONALD: Some are anxious to come because salaries are somewhat higher in this province and continent than over there, and that is the only reason they want to come. Listening to the hon. Minister give his story the other day, in which he tried to wash out any suggestion of an existing problem, I was reminded of a comment attributed, I think, to Hitler.

I am not suggesting the hon. Minister of Education is anything like Hitler, in fact, he is the most un-Hitlerlike character in this Legislature. The comment I have reference to is, "I have made up my mind, now do not confuse me with the facts."

The hon. Minister has made up his mind there is no problem here.

HON. MR. FROST: It is not fair for the hon. member to say that.

MR. MacDONALD: The hon. Prime Minister has made up his mind, too.

HON. MR. FROST: We have been trying to point out there is a problem; we are meeting the problem in a specific way. Of course there is a problem, and I think it is hardly fair for the hon. member to suggest we say there is no problem. No one over here has said there was no problem.

MR. MacDONALD: Then they are changing their tune.

HON. MR. FROST: No.

MR. MacDONALD: We all recognize there is an emergency situation here, and are willing to consider any steps to cope with this situation. But what a good number of people in this province find difficult to swallow is the argument of the hon. Minister that in coping with the problem we are not lowering our standards. Listening to the interjections from the various quarters of the government benches, one would be led to believe, if the logic of their argument were valid, that by eliminating all training they would end up with good teachers. The hon. Minister claims to have found good teachers who did not even have 6 weeks' training. Certainly, there may be good teachers without training. Some people are born teachers, and even if they had no training at all they would still be good teachers.

MR. J. A. MALONEY (Renfrew South): The hon. member for York South was not born a good teacher.

MR. MacDONALD: The hon. member for Renfrew South does not know anything about it.

MR. MALONEY: I know why the hon. member left teaching.

MR. MacDONALD: Why did I leave it?

MR. MALONEY: Because the hon. member could not keep up with the progress that was being made.

MR. MacDONALD: I will tell the hon. member one reason why I left teaching; that is because after teaching for 5 years, I found my average salary was \$735 a year, and while I could get through Queen's on that amount, back in those days, I could not much more than survive.

MR. MALONEY: I would not want to see the hon. member teaching any of my children.

MR. MacDONALD: I suspect, after looking at the product I find here, they

need some real teaching. Please let me get back to the topic in hand.

If I may interject for one moment, Mr. Chairman, there is a lovely story that has been in my mind for some time, concerning the life of William Jennings Bryan. In fact it is a true story.

The great American Senator, at one time, rose in the Senate and was being constantly interrupted by some "local yokel." After considerable confusion arising from the interjections, William Jennings Bryan turned at one point, and said: "The hon. gentleman reminds me of nothing more than a certain little river back home. It is 6 inches deep and 6 miles wide at the mouth." While listening to the hon. member for Renfrew South I could not get that story out of my mind.

MR. MALONEY: Coming from an over-night guest and a johnny-come-lately who is soon going to be a used-to-was or has-been, that remark does not call for any further comment.

MR. MacDONALD: Mr. Chairman, I want to turn now to an aspect of our educational problem in the province of Ontario that the hon. member for Kenora raised this afternoon. I think he is to be commended for raising it, for it is a real problem. I do not intend to pursue it at great length this afternoon but I just want to make this point—that the objective we should bear in mind, when considering educational problems, is the objective of giving equality of opportunity in education to every child in this province.

I do not think that any child—and I assert this very emphatically—no matter what religion, race, colour, creed his parents may happen to have—should be penalized in any way through an inferior kind of education.

One point that the hon. member raised was the disparity in the salaries of teachers in secondary schools. That is an injustice; but to my mind even more than being an injustice, it is a symptom of the disparity in educational opportunity.

As I listened to the hon. Prime Minister this afternoon giving us a little more information about this great 3-year plan, based upon equalized assessment, and his suggestion that it is going to remove some of the disparity in educational opportunity across the province, I hope that what he says is true. I for one am glad to hear his remarks, because it is the basic objective that we should have in mind.

I want to touch upon a phase of education for a few moments which I think is the most important problem that we are facing in education today in this province, namely, that we have in our educational system a fantastic backlog of unfulfilled educational needs.

This government refuses to face up to them adequately, and I would go so far as to say that the general public is not fully conscious of just how great is this backlog of educational needs.

Why has this backlog developed?

I think in part—but only in part—it has developed because of the growing disparity in financial allocations from the budget that this government is willing to give to education.

I have discussed this a number of times before, and I want only to refer to it—the year 1952 was the last occasion on which, in this province, educational grants were greater than highway grants. In the year 1952, the provincial budget on highways was \$52 million; the provincial budget for education at the secondary and public school level was \$67 million.

What we have seen since then is a situation in which our highways budget has literally skyrocketed and our education budget has crawled up slowly, so that we have today something less than a doubling of education grants in a 4-or 5-year period, so far as public and secondary schools are concerned, while the highway budget has more than quadrupled.

How has this disparity developed?

HON. MR. FROST: Has the hon. member ever looked at the disparity before we came into office?

MR. MacDONALD: I am not interested in that at the moment. If there is a situation that exists at the moment—if I may quote the hon. Attorney-General (Mr. Roberts)—one neither adds nor subtracts from it by comparing it with something that happened in the year 1935 or 1835.

That is the part of the hon. Prime Minister's normal tactics to distort or to confuse the situation, if I may be permitted to use that horrible word.

HON. MR. PORTER: Does the hon. member mean the word "situation"?

MR. MacDONALD: I think it has developed for this reason, that the government accepts the modern needs for a highway system. We have discovered in the last 10 or 15 years, because of the increased registration and a variety of other reasons, that we must have lower sight-level on our highways, more limited curves and less access to them. We have felt it necessary to landscape our modern 4-lane highways.

I want to suggest to the hon. Minister of Education, or, more particularly, to the hon. Prime Minister, that all these are frills. One could build a basic road and could cram traffic on that basic road. Undoubtedly, more people would be killed; but we could get along with the basic road with none of these frills.

I want to contrast this with what is happening in the educational system.

We have a lot of frills on the educational side—so-called gyms, swimming pools, libraries, domestic science classes, industrial arts classes and, the most incredible of all, even the land upon which the school is built is, presumably, a frill because the government will not share in their cost.

HON. MR. DUNLOP: Did the hon. member mention libraries?

MR. MacDONALD: Yes. The government does not pay grants on them, or has it changed its policy?

HON. MR. DUNLOP: We pay a grant on the room.

MR. MacDONALD: On a room which is built in a school, it pays a grant for a library?

HON. MR. DUNLOP: Yes.

MR. MacDONALD: When did that happen?

HON. MR. DUNLOP: That has been going on for some time.

MR. MacDONALD: Just be careful. I am up with the times.

It is only one of the minor frills. The point I am attempting to make is—

HON. MR. DUNBAR: A minor frill?

MR. MacDONALD: A minor frill, yes. The government does not pay on a room which is used as a library. If they place a library as part of an existing library, the department pays something for the library. But if there is a library room in a modern school, the government does not pay a grant.

This government is willing to give priority to the needs of modern highways, but in contrast, it is not willing to give such priority and expenditures to keep up with the needs of the modern educational system. It is the consequences of that kind of thinking which we must take a look at.

If we analyze the backlog of educational needs, we will find one great body of unfulfilled educational needs in what I would describe as our lack of development of trade schools—something I discussed at considerable length last year. Any hon. member who is interested may look in last year's *Hansard* and read it for his own information.

What I want to draw to the attention of the House is that, on the basis of the last figures we have available—and this is the most shocking kind of proposition—out of every 100 children who enter our schools, only 97 of them complete grade VI; 84 complete grade VIII; 58 enter secondary schools; 46 complete grade X; 31 complete grade XI; 21 complete grade XII; 13 get into grade XIII; and at this time—this is back in 1950—only 4 of them entered universities. The latest figures are that probably 7 of them are attending universities.

We have, throughout the entire school system, the most incredible kind of wastage, sometimes described as the “drop-outs” from the school system.

Last year, when I raised the matter, I asked the hon. Minister of Education whether—so that we could keep up-to-date with this picture which, surely, is extremely important—he would include a table in his annual report indicating the drop-out from schools on the basis of the later figures. I draw attention to the fact that, although he gave a commitment in this Legislature that it would be included in each annual report, it is not in this year's.

I hope that this kind of situation can be rectified, because I suggest that there is nothing more disturbing than the proposition that, after all the money we spend on our schools, on the basis of the latest figures, only 58 per cent. of the children enter high school. If any hon. member stops to consider for a moment he will realize what a sad commentary it is on our educational system.

How has this situation developed? We have this situation because this government and preceding governments have failed to build, in the province of Ontario, what Dr. John Seath, one of the earlier superintendents of education in the province of Ontario, recommended as far back as 1908, or 1910, and which was put in permissible legislation in the year 1911, namely, a system of trade schools, recognizing the fact that there is a great proportion of children who have not the mental capacity, or who

do not have the interest, to pursue, as fully as possible, what the school offers in academic education.

However, they may have the opportunity or the interest to work with their hands, or the interest to acquire a skill, to join that great and noble band of people who are going to be the basis of the labouring force of the nation.

HON. MR. DUNLOP: I know John Seath very well, and his idea of trade schools was our present idea of what we call technical schools; that was his idea.

MR. MacDONALD: No, that is certainly not the case. I say, with all respect, the hon. Minister should have known Dr. John Seath a little better. Dr. Seath wanted to build a system of schools intended as a general training for the potential labourers in industry, as preliminary instruction for the mechanical and building trades. I will quote one paragraph from my comments last year on that point, found on page 1021 of the 1956 *Hansard*:

Instead of following these plans, as originally envisaged in The Industrial Education Act of 1911, the industrial course has adopted a role parallel to that of the technical high school course, and both leading to the secondary school graduation diploma. Although this is in accord with the initial demands of industrial management for the training of potential foremen and junior executives —

and there is the key point.

MR. G. LAVERGNE (Russell): Who is the hon. member reading from?

MR. MacDONALD: I am reading from my comments of last year.

MR. LAVERGNE: This is not Dr. Seath?

MR. MacDONALD: I am quoting what was Dr. John Seath's original proposal, which has been elaborated on in briefs submitted to the Hope commission.

MR. LAVERGNE: Read it again, I missed it.

MR. MacDONALD: If I read it 5 times, the hon. member for Russell would miss it.

It does not meet the early requests of the trades and labour representatives for an appropriate education for those whose destiny it is to work in trade and industry.

HON. MR. DUNLOP: What the hon. member is speaking of is met in our provincial institute of trades.

MR. MacDONALD: Mr. Chairman, I am glad the hon. Minister raised that point, for if he thinks that the great yawning backlog in this province is met with this one institution on Nassau Street, he is mistaken. Our apprenticeship training languishes off in The Department of Labour; this provincial institute of trades today is languishing.

Last spring, when the principal of the provincial institute of trades moved on to other fields—for reasons the hon. Minister knows, and I think I know—there was an interim appointment made of a retired principal of a Toronto technical school.

This institution represents only one token gesture towards fulfilling the great vision that Dr. John Seath had in 1908 and 1910, and even this institution today is drifting along without the kind of aggressive policy it needs to fulfil its aim.

HON. MR. DUNLOP: That particular principal is doing better than any principal has done.

MR. MacDONALD: My information is that the principal quite frankly said he was coming in as a stop-gap. I think we should have a permanent appointment as soon as possible. The hon. Minister is a master in the way he can take a 17-year-old girl and make her the best possible teacher, or appoint

a retired principal, and, because he waves his magic wand, everything is better than ever before.

HON. MR. FROST: Mr. Chairman, I would suggest the hon. member stop running down the little man. We try to take merit regardless of where it comes from and develop it. We have no privileged group. We try to take the little person and do the best we can. I point out to the hon. member we are the people's party.

MR. MALONEY: What kind of wand could the hon. Minister wave over the hon. member for York South?

MR. MacDONALD: The hon. member made the comment the other day that he would like to have me in the witness box. I have not seen him in action as a jury lawyer, but if his efforts there are of the same calibre as his interjections in this House, any 10-year-old child need have no fear.

MR. MALONEY: When one is dealing with children, one acts as a child.

MR. MacDONALD: The hon. member has a well-developed capacity on that level.

Mr. Chairman, I have dealt with one phase of the educational backlog in this province, the question of trades training. I suggest to the hon. Minister if he would do a little talking with some of the hon. members of his own party, he would discover that many of them are unhappy about the partial fulfilment of this great need. The result of it not being fulfilled is clearly indicated in the shocking number of children who drop out of our school system as quickly as they can because it is not providing the kind of education which meets their interests or needs.

I think there is, if anything, an even more important aspect of our backlog of educational needs, and that is the whole question of technical education

not only in Ontario and Canada, but all throughout the western world.

I was rather interested during this past summer in reading the accounts of the important meeting which was held down in St. Andrews-by-the-Sea by the industrialists of this nation. I think one of the reasons why they held such a meeting was that many of these men read, for example, this one book *Soviet Professional Manpower* which I recommend to any hon. member in this House.

It is not easy reading, but it is one of the most illuminating and disturbing books any hon. member could possibly read. After reading it, one cannot help having a more realistic grasp of the kind of world we are living in.

At St. Andrews-by-the-Sea, a man who has since been appointed to head our great Hydro system made a speech, and I want to quote 4 or 5 paragraphs from this speech to try to sketch in the great yawning backlog of educational needs in this aspect of our educational system. James S. Duncan said:

In my opinion, we are in the danger today of losing the cold war unless we do something very drastic about it, and education is very close to the core of our problem . . . Three years after the revolution, Lenin told the people —

that is, the people of Russia—

that they were 100 years behind other nations in technical development, and that they had to close the gap within the coming generation or go under.

That was 36 years ago, and today Russia has 4.3 million students enrolled in institutions of higher learning; the equivalent of 19.6 per 1,000 inhabitants as compared with 4.9 in Canada.

Just stop to consider that a country, starting from scratch something less than two generations ago, today has 19.6 inhabitants per 1,000 population in

institutions of higher learning as compared with 4.9 in Canada.

MR. G. C. WARDROPE (Port Arthur): Who gave the hon. member that figure?

MR. MacDONALD: This is James S. Duncan.

MR. M. B. DYMOND (Ontario): Mr. Chairman, can the hon. member give us any idea of a comparison as between what we consider an institution of higher education and what the Soviet Union considers as such?

MR. MacDONALD: I can reply only in general terms, because I do not have any quotation here. But anybody who thinks for one moment that the institutions of higher learning in the Soviet Union are of an inferior kind, and the qualifications which those people are getting are not much good, is deluding himself.

MR. DYMOND: I was not inferring that. I was asking for information because I have no idea what the standards of the institutions of higher learning are in the Soviet Union. I was interested to know if the hon. member would give us some idea of how they compare with ours.

MR. MacDONALD: Duncan, and one or two other Canadian industrialists, who visited Russia came back and made very strong assertions in countering the idea that it is a very inferior kind of education in Russia; that it is simply not the case.

MR. WARDROPE: Just a certain class; the rest of them do not know anything.

MR. MacDONALD: Continuing the quotation from Mr. Duncan:

In 1954, the Soviets graduated 52,000 engineers from 7 universities as against 22,000 in the United States. In 1955, Russia turned out 120,000

scientists and engineers against 70,000 in the United States.

It is frequently said that the startling progress in technical education in Russia is due to the fact that they operate under a system of compulsion rather than election.

This is an over-simplification. Young people in Russia are not obliged to become engineers or scientists if they do not wish to follow these professions.

The point is that, through clever indoctrination commencing in the elementary schools, generous scholarships, or their equivalent, and superior material rewards after graduation, the young people's ambitions are fired to follow a course of study which will, if successful, qualify them to become members of what is considered to be the elite among Russian professions.

MR. WARDROPE: Do they teach them to do what they did in Hungary?

MR. MacDONALD: Let us not confuse a serious problem which I am raising; and this is a serious problem in the western world. If the hon. member is not aware of it, I respectfully suggest he be quiet for a moment and become aware of it.

MR. WARDROPE: Duncan got it from a Russian report, where else would he get it?

MR. MacDONALD: Once again, the hon. member is deluding himself. The other point that I would like to make here, to drive home the extent to which the western world is falling behind the Soviet world in this kind of thing, is this—

HON. MR. NICKLE: Is the hon. member speaking for Russia today?

MR. MacDONALD: Let the hon. Minister wrap himself in the flag, and march around the parade square again.

HON. MR. NICKLE: Why not speak for Canada?

MR. MALONEY: He will be leaving for Russia pretty soon.

MR. MacDONALD: The point I wanted to make before I was so rudely interrupted was that this year Russia is turning out 142,000 people who might be called technicians.

MR. WARDROPE: How does the hon. member know, did he get it from Russia, and if so, does he believe what they tell him, because we do not.

THE CHAIRMAN: Order.

MR. A. CHILD (Wentworth): If Russia is so good, why does the hon. member not go there?

MR. MALONEY: Let us take up a collection and get the fare.

MR. MacDONALD: May I go on? 142,000 technicians are reported, from authoritative sources, as graduating in Russia today from their institutes of higher learning. The astounding thing is this, that the satellites of Russia in the Far East, namely China, and nations of that nature, are this year also turning out 142,000 technicians.

MR. COWLING: We have been sending these people money for years.

MR. MacDONALD: Whether we have or not, the point is we are falling further and further behind the Soviet world and the consequences of this are something that we simply cannot choose to ignore any longer. So let us come back to the province of Ontario, and see what we are doing.

MR. CHILD: How do we stand on a percentage basis?

THE CHAIRMAN: Order.

MR. CHILD: I think this is very important.

MR. MacDONALD: How are we to catch up on this backlog of technical personnel? At the moment, in the province of Ontario we have at the technical level — what we might call junior university level — two institutions which are providing this kind of training, namely, Ryerson, and the technical college at the head of the lakes.

In terms of meeting the great need we have in the province, this is obviously inadequate. If we are going to increase our own trained personnel, this is the place to start, for with more technicians, we could then free engineers who have had full engineering training, and who are today occupied with what might be defined as “joe” jobs that could be handled by less qualified persons. It is calculated that for every engineer, about 5 technicians are needed, and because we have not this number of technicians, many of our engineers are doing work that is far below the level of their training and far below their capacity.

If we could step up the training of technicians, we would be freeing our engineers to do the jobs for which they have been trained. All we have done up to now, in terms of meeting this need, is through our immigration policy, with the hon. Minister getting teachers from England, and the hon. Minister of Planning and Development — when he is not going up and down an elevator with Beverly Baxter talking about great men such as Leslie M. Frost and Winston Churchill — poaching upon the limited skilled personnel of the continent of Europe for Canada's needs.

HON. MR. FROST: Mr. Chairman, may I say that there are some things which the hon. member says, with which I do not find myself entirely in disagreement. One of the problems of the democratic world is the training of people so they can become highly skilled. I agree with the hon. member in that.

In commenting on it, may I point out that we run into such difficulties as were mentioned by the hon. member for Kenora this afternoon. The hon. mem-

ber criticized us from this standpoint, that we were giving a disproportionate amount to the universities. I do not think it is so, nor is it a fair criticism.

MR. WREN: I did not say that.

HON. MR. FROST: If I understood wrongly, then I stand corrected. But I do not think it is fair for the hon. member for York South to say that we are just depending on immigration and so on. The hon. member is quite incorrect on that, and I ask him to turn to page 37 of the estimates, and he will find what we are doing to meet that problem. We are contributing to our universities, we are assisting Carleton College, which is a new university brought in, in our day, and we are doing our best to help them along. We are doing our best to find ways and means of uniting religious institutions, and are helping the people in Kitchener who are starting up a new university there this year.

The hon. member for York South strengthens his case by saying we are not doing anything, when in Ontario we are doing a good job regarding this.

MR. MacDONALD: I am sorry to use this word, but the hon. Prime Minister has distorted what I said.

THE CHAIRMAN: Do not use it then.

MR. MacDONALD: I withdraw it.

THE CHAIRMAN: I suggest to the hon. member for York South that he should refrain from throwing barbs at hon. members, and continue with his speech.

MR. MacDONALD: Mr. Chairman, I have too much respect for you to get into an argument with you.

THE CHAIRMAN: You mentioned specifically the hon. Minister of Planning and Development.

MR. MacDONALD: The hon. Prime Minister has said they are making grants for education, and I am all in favour of it. If we do not develop our educational system at the university level, 10 years from now we will be absolutely swamped.

What I am talking about is technical education, in other words, the one group below what might be called the full-fledged engineer. The only institutions we have which are providing that education at a post-secondary school level today are Ryerson and the Lakehead College. And to think that those schools are going to turn out sufficient graduates to meet Ontario's needs at this level of education is, to put it bluntly, ignoring the facts of the situation. They are doing something at Waterloo College, but I will come to that in a minute.

We need more institutions for advanced technical training, and if we are going to develop them, the basic question is: where are we going to get the teachers?

I do not know whether hon. members of the House are aware of some of the experiments that have emerged in the province of Ontario in the last year or so, because certainly if we are going to get enough teachers to train technicians, we must somehow or other devise a way of using the teaching skills of people who are today in industry, where they are getting higher salaries.

At De Havilland and Orenda Engines, during the past few months, there has been developed a course in which the industry is attempting to train their own technicians, and if they so desire, the technicians can go right through to become full-fledged engineers. These two industries are working out, with the necessary professional bodies, arrangements whereby they can teach their people right in the industry.

HON. MR. DUNLOP: We are helping them, by the way.

MR. MacDONALD: If the hon. Minister is helping them, very good. I think it is a good idea, because what he

is doing is using the skills of engineers who are on the staff of industry—in fact he is using their skills in the same way that Carleton College in Ottawa uses the skills of many people in the civil service, and that is one reason for Carleton College's growth. That is another reason why the Lakehead University is going to have great difficulty in this respect, because it has not the same teaching resources upon which to draw, for teachers.

I do not know the details, but I understand that at one place in the United States, General Motors has actually taken out a charter for what may become a full-fledged university and it is set down right in the industry. They are building a university right in the industry, using the engineers and their skills and their undoubted teaching capacity to train people who are working part-time in that industry.

That brings me to what is a most encouraging, if it were not so tragically belated, kind of development in the province—that represented by the university located in the riding of the hon. member for Waterloo North, namely, Waterloo College.

HON. MR. GRIESINGER: Does the hon. member for York South give private enterprise credit for doing that?

MR. MacDONALD: Certainly I do.

HON. MR. GRIESINGER: That is all I want to know.

MR. MacDONALD: Waterloo College hopes to open this fall a course on what is known as the co-operative basis, in other words a student will, in alternating quarters in the school year, study in university, then work in industry.

HON. MR. DUNLOP: We are helping them, too.

MR. MacDONALD: Then he will study for another quarter and back again in industry. Because of this kind of approach, it will be possible for a student

who turns up at the university to be matched with a workman in some industry—a workman who is known by management to be interested and capable of furthering his education. He will be matched with the student in the university, so that one is in the university while the other is in industry, there is no gap in the labouring forces of industry to disrupt their working schedules.

Not only is this an extremely intelligent approach to the problem, but I suggest to the hon. Minister that it is based on sound pedagogical theory. One of the problems of our modern education is that we take a child who starts, for example, at 14 or 15 years of age in high school, who takes 4 years high school, then takes 4 years university, after which he may take a year or two of postgraduate work, so for 10 solid years he is having knowledge crammed into his head—beyond his capacity to absorb that knowledge. This is an infinitely better procedure, if one alternates on a co-operative basis the acquiring of knowledge and working in industry, or some other phase of life, so that one is applying that knowledge. That is what is proposed in Waterloo College's new course.

One of the reasons—and I think the hon. Minister will appreciate this—why I am convinced this is a fundamentally sound approach is that I have experienced it. As the hon. Minister knows, I am a graduate of extra-mural work at Queen's University, which meant that for years while I was teaching school I was doing my university work by extra-mural work and by summer courses so that the knowledge I was gaining could be used in the school room.

This is an infinitely more effective approach to education than the idea of 4 years of cramming education, a good deal of which one loses or forgets before he gets out and has an opportunity to put it into use.

HON. MR. FROST: Mr. Chairman, does the hon. member's argument not effectively answer the argument ad-

vanced by the hon. member for Bruce? The hon. member for York South is one of those who learned as he went ahead, and I suppose some of his pupils down there have made wonderful progress, and perhaps he is an example of what has been done elsewhere.

MR. MacDONALD: Just let the hon. Prime Minister be cautious for a moment, because the thing that really puzzles me at the moment is that the hon. Minister has set up what, in effect, might be described as a co-operative plan for training teachers to meet the present emergency. Since we have an emergency situation, it is perhaps the only thing we can do—as long as we recognize that it is likely going to lead to lower standards.

But why is not the hon. Minister consistent? I sat in the House here and was quite amazed to hear the hon. Minister of Education—when he was correcting a newspaper article dealing with what he thought was a misrepresentation of Dr. Smith's presidential message—on February 11th, to be exact—make this comment:

There is a college in Ontario going ahead with the quarter system —

That is the co-operative system I have just been outlining—

—but not on my advice, rather on the contrary.

Can the hon. Minister tell me what in heaven's name he objects to in this pioneering effort in Waterloo College? I suggest to him it is not only an imaginative development, but the tragic thing is it is just about two generations late. The co-operative plan with industry is part of the traditional approach to education in Britain and Europe. It is part of the approach in about 50 to 60 institutions of higher learning in the United States. Now, at last, in Canada we have a college going ahead with it at least for engineering, and yet the hon. Minister of Education rises here and says that they went ahead with this against his recommendation.

HON. MR. DUNLOP: For engineering assistance, it is grand, but the deans of engineering in this province do not like it from the point of view of the preparation of full-fledged engineers, that is it.

MR. MacDONALD: If the deans of engineering do not like it, or the professional association, why are they working in co-operation with essentially the same kind of plan at De Havilland? It does not add up. The hon. Minister is letting his own prejudice against it be conditioned by one dean.

The hon. Minister raises the problem that I want to emphasize here. What is holding up this kind of development at the present time in the province?

I want to suggest there are two things which are holding it up, and the first is that our educational system, and I say this respectfully, is hide-bound with tradition.

HON. MR. DUNLOP: No.

MR. MacDONALD: It is, and it is not only true of our own Department of Education, it is true of the general approach of the educational world, which is dominated by people schooled in the humanities, people who frown upon this kind of thing. I myself am a product, if one wants to put it in that way, of a university education in the humanities, so I recognize its great values.

HON. MR. PORTER: The hon. member for York South is a grand example of what he is speaking of.

MR. MacDONALD: But what I want to have hon. members consider for a moment is that, while we must continue to lay emphasis on the humanities, so that we turn out citizens as well as well-trained technicians, we must recognize that, living in the kind of world we face today, we simply cannot any longer fail to turn out technicians

who can cope with the technological requirements of our age and can cope with the needs of a world that is facing the whole threat of the Soviet system.

HON. MR. DUNLOP: Mr. Chairman, may I point out that we are establishing institutes of technology in Hamilton, Ottawa and Windsor.

MR. MacDONALD: On what basis?

HON. MR. DUNLOP: On the same basis as Ryerson.

MR. MacDONALD: As Ryerson?

HON. MR. DUNLOP: Yes.

MR. MacDONALD: When are those starting?

HON. MR. DUNLOP: Hamilton is just beginning, Ottawa begins in September, and I think Windsor in September.

MR. MacDONALD: If the hon. Minister is doing that, he is at least indicating that the department is moving in the right direction.

HON. MR. DUNLOP: It always has been.

MR. MacDONALD: Let the hon. Minister not be too certain about that.

MR. WARDROPE: Mr. Chairman, may I say a word about a subject which the hon. member for York South mentioned. In speaking of the Lakehead College of Arts and Sciences, he deplored the fact that it would not be in the same position as Carleton College at Ottawa because they would not have a pool of teachers from which to draw.

I would like to correct the hon. member in that, and point out that we have some of the finest mining engineers in the world, and some of the greatest technicians in the pulp and paper in-

dustry and so on, and not only are those men teaching at present in the Lakehead Technical Institute, but they are on the board of governors.

I would like also to draw something else to the attention of the hon. member, and that is that the present chairman of his CCF party in the city of Port Arthur is, or was, the librarian there and is giving that school the benefit of his knowledge; and he is a very excellent teacher too.

MR. MacDONALD: He certainly is.

MR. WARDROPE: How he went wrong in his political thinking, I will never know. But I would like to correct the hon. member for York South and tell him that there is no fear about the Lakehead College of Arts and Sciences; we will take care of that, and we will see that these technicians in that area will turn out some wonderful students in great numbers, and we will not have to go to Russia to do it.

HON. MR. FROST: Let the hon. member for York South not run down the Lakehead.

MR. MacDONALD: An extraneous comment, if I ever heard one. However, the hon. Minister has indicated that we have two or three technological colleges that are going to be emerging, and will be meeting this need, at least to a degree. What interested but distressed me last June or July, was the fact that the hon. Prime Minister, for some reason or other, seemed to have become seized of the importance of this whole need. I do not know why; perhaps somebody gave him this book on *Soviet Professional Manpower* and he read it and was rightly disturbed by it.

As a result, he made two or three speeches within a short period, suggesting that the government was aware of the need.

All I want to suggest to the hon. Prime Minister, and to the hon. Minister of Education, is that we must do more.

In The Department of Education we have one deputy superintendent, I think he is called, or assistant superintendent, responsible for the vocational and technical side of our education.

Mr. A. M. Moon is the gentleman to whom I am referring — if I have described his functions correctly. I suggest that that is one phase of the department's activities which should be expanded as much as possible, because he is a pretty lonely soul, as I have observed his efforts. He is not getting the kind of support that he needs, if we are going to fulfil these needs as greatly as we must.

HON. MR. DUNLOP: There are two.

MR. MacDONALD: And the second reason why I think we are not meeting this need fully is the problem of money. Again, one of the encouraging developments is that when all the Canadian industrialists met down in St. Andrews-by-the-Sea, at least they acknowledged the need for money, and that they were in a position to supply a great deal of that money. They recognized finance as one of the basic problems.

But we must keep in perspective the amount industry has contributed thus far.

For example, I read an editorial, in the *Ottawa Journal*, I think, which went into "great rhapsodies" because International Nickel had allocated \$2.5 million for higher education in the next 5 years.

Again, Mr. Chairman, forgive me if I use the word "peanuts" about the \$2.5 million from an industry the size of International Nickel, to meet a problem which is as great as this, and which will directly benefit an industry like International Nickel, because it is not an adequate sum.

I have here, for example, a pamphlet that is based on a speech made by Dr. John Morgan, who is a professor at the University of Toronto. Let me read just two or three sentences from it:

For my part I do not see why the universities should be supplicants

only for the largesse of the state, or even the willing and imaginative support of the state. I was interested to know last year, when I was visiting Oxford, that two entirely new colleges are being built by private benefaction by individual industrialists, in spite of the supposed intolerable burden of taxation in Europe.

I reflect that most of the great universities in Britain owe their origin to creative and imaginative benefactions in the past by industrialists grown rich in an expanding economy, not in thousands to a building fund but in millions to create new colleges and universities at Bristol, Nottingham, Sheffield, Leeds and Manchester, and other great industrial centres.

These are not the results of "begging efforts" so much as the recognition of the social and economic importance of universities followed by initiative and action on the part of industrial magnates.

I suggest to the hon. members that in Canada, although our industrialists have awakened to this need, they have control of the great resources of wealth which must be put into education, and in light of the kind of record which Dr. John Morgan spells out for their industrial counterparts in Great Britain, they have made only a gesture, another token gesture, towards the amount of finances that must be made available if we are going to fulfil our needs.

My plea to the hon. Minister of Education is this:

He indicates that at least he has turned in the right direction, but he should recognize the kind of world we are living in, a world in which we must have skilled trades people in our labour forces.

I am almost finished, and then the hon. Minister may ask whatever questions he would like to.

Let us build trades training and apprenticeship as an integral part of our school system. Secondly, let us

recognize that we are living in a world that is demanding technological skills if we are going to operate the kind of economy now developing, if we are going to make it possible for it to survive in the face of the threat from the Soviet world. We must abandon this habit of dripping optimism about past achievements, this smug assumption that we have achieved the best of all possible worlds, that we have an educational system which is meeting our needs, because I hope I have demonstrated to a small degree at least, that our educational system is falling far, far short of meeting our educational needs. We dare not let it fall very much further behind without facing serious consequences.

HON. MR. DUNLOP: Mr. Chairman, may I make just a couple of corrections? Respecting the civil servant who was mentioned by the hon. member for York South, there are 5 civil servants, assistant superintendents and inspectors, looking after that particular type of work.

May I make another little correction.

MR. MacDONALD: Mr. Chairman, I was just talking about the superintendent; I was not talking about any staff.

HON. MR. DUNLOP: There are two assistant superintendents, one technical adviser, two inspectors.

HON. MR. DUNBAR: So that knocks the bottom out of the whole argument.

HON. MR. DUNLOP: In England, there is one student in every 631 of population. In Scotland, one would think this would be better and of course it is, one in every 343 of population. In Ontario there is one to every 170 of population, we are away ahead in that respect anyway.

MR. MacDONALD: If the hon. Minister is going to bring this up, let us keep it straight. As the hon. Minister

knows—and I am almost forced to go back and use the word that has been banned in the House—the hon. Minister knows that the British educational system is streamlined so that, from about the age of 12, they pick the students who are going ahead to university and lead them in that direction. But the students who are not going on to university get an infinitely greater degree of trades and apprenticeship training, the lack of which is one of the things about which I am complaining. We do not provide that here. We have not built the system of trade schools which Dr. John Seath envisaged 40 to 45 years ago. If we had done that, the ones who are not going to university would have been getting a more effective education all down the line. But they are not getting that at all.

MR. R. M. MYERS (Waterloo South): Mr. Chairman, I would like to make a remark or two about a subject which the hon. member for York South has raised. I think as he does, that the situation in Ontario is serious, but we ought to try to find out why the situation in Ontario is as it is, and why the situation in Russia is as it is.

I have read the book on Soviet technical education to which the hon. member referred, and have spoken to the man who wrote it.

If the hon. member will let me have the book, I can show him where it says that there is a great incentive provided in Russia for a boy to follow technical education, for if he does not, he is drafted into one of two places, either to the labour corps or to the army. The fear of being drafted to the labour corps or to the army is an incentive which causes the young intelligent Russian youth to become an engineer.

I would like to tell the hon. members something about the conditions in my riding of Waterloo South, a very important industrial area indeed. In 1940, a highly skilled workman received something more than twice as much as a labourer. I will give hon. members an example of the situation in Waterloo county with respect to a highly skilled

mechanic at this time. I am referring now to a welder of the very highest class, who has progressed through 4 different grades of welding—a man who has had 3 or 4 years of training, including special courses; who is of more than average intelligence.

Such a man draws, by way of pay in Galt now, the sum of \$1.90 an hour. Yet a man who is a janitor, the unskilled man, one with perhaps little intelligence, is paid \$1.40 an hour.

There have been raises in pay through the years, and they have been equal right across the board. The highly skilled workman's pay, which in 1940 was more than 100 per cent. more than the pay of the unskilled man, is almost now levelled out—\$1.40 an hour for a janitor, against only \$1.90 an hour for the best machinist or the best welder.

I shall speak for a few minutes about the facilities that exist in Waterloo county to enable a boy to obtain a good technical training.

We have our ordinary vocational school, and a year or so ago the technical school was extended by the addition of grade XIII. We have an advanced evening technical course also, of 300 hours, which takes about 3 years.

The riding of Waterloo South has a population of between 35,000 and 40,000 people, and it is in the heart of an industrial area. It would be interesting to see how many of our boys attend these schools.

There are now 9 students in grade XIII at the technical school at Galt which serves that city, as well as the town of Hespeler, the town of Preston, and the township of North Dumfries.

How many boys have enough ambition to attend the evening course? There are only 12 attending from this great area. How many boys from the Galt area are attending Ryerson Institute? Only 12.

I say that attendance certainly is not what it should be. I say too that incentive has been taken away from our youth by the people who negotiate

agreements respecting their pay. The superior workman does not receive pay commensurate with his skill, and there is not sufficient incentive held out to encourage a boy to become a better workman than his neighbour.

I would like to tell hon. members another story. I know a man who is divorced from his wife and who has the custody of a 17-year-old boy. I thought I could get that boy a job in the woods for the summer, where he would get good food and lodging and would be in favourable surroundings. I said to the father: "I think I can get your son a job in the bush this summer, and he will be paid for his work."

"Oh," said the father, "how much will he be paid?"

I said: "I think he will get about \$100 a month."

The father replied: "Oh, my son will not be interested in that. He is 17 years old and has completed one year of a high school commercial course, and has learned to type a little and has a job up in the freight office of the Canadian Pacific Railway in Galt for the summer, at \$230 a month."

This is a 17-year-old boy. Why should our boys seek a better education when they can secure such a high return from giving but little value?

I could hardly believe that the rate of pay offered to this boy was correct, so I checked it. I went to the freight department of the railway and was told a skilled clerk in the railway has a basic rate of \$260 a month, and whoever had the job of drafting the rates of pay thought that \$30 would be a fair differential between the remuneration of a first-class experienced clerk and the pay of an inexperienced youth who was undergoing a commercial course and who could not know very much.

I say that is wrong. I say that unless there is an incentive by way of adequate pay we will never get the skilled young men that we ought to get.

Let me tell hon. members something else, because this question of trade edu-

cation and technical training is vital. We all ought to have the greatest possible interest in it. I am very glad to see the great interest in technical education which is being taken by foremen and by tool makers.

The other day I received an invitation to attend a meeting of foremen shoe makers. They had a speaker from the province of Quebec, who told us of the plan which has been adopted in that province for the training of employees in shoe plants, and it was this.

A boy can learn as much as he wishes of the shoe manufacturing business; he may learn one branch of the business or take the whole course. It would take two years to take the whole course.

But the point I want to emphasize is that the cost of conducting this shoe making course in Quebec is borne half by the trade union and half by the employer. It is a term of the collective bargaining agreement that a deduction shall be made from each man's pay towards payment of half the cost of the course, the balance of the cost being paid by the employer. I say to the hon. members of this House, and to the people of the province of Ontario, that a great deal can be done in the matter of technical education. Much should be done by our trade unions. I think trade unions ought to take an active interest in education, technical education especially.

I also feel that where agreements respecting pay are being negotiated, the remuneration of the highly skilled worker, when compared with the pay of the man without any special skill, should bear a reasonable relationship to the contribution he makes to industry and to our economy as a whole.

MR. CHILD: Mr. Chairman, I had not planned on saying anything regarding education at this time, but I had prepared some material for the budget debate. It is on education, and I think it might be more opportune to say a few words at this time.

Some of it, I know, the hon. Minister is familiar with; I have discussed it with

him, but I would like to bring some of it, in the form of recommendations, to his attention.

Recently representatives of the Hamilton Deaf and Hard of Hearing Association asked me if I could assist them in any way to do something toward helping their children get a little better education.

They were not satisfied with what they were getting in Hamilton at the present time. They came to me only after they had had a number of discussions with the board of education officials. These association people have been trying to reason with them on a very friendly basis but, apparently, they had not succeeded in getting what they thought was an equal opportunity of education for their children.

However, I must say after I had discussed the problem with the parents of these deaf and hard of hearing children, I found it somewhat difficult to believe some of the things they told me. I, in turn, had further discussions with other parents, and officials of the board of education, and I discussed the matter by telephone on two or three occasions with the president of Gallaudet College in Washington, D.C., to find out what standards they had for education for their children.

I find that, although possibly all of the remarks, criticisms or complaints that the parents may have had—at least the majority of them—were legitimate, some of them I do not believe were quite as serious as they made out.

I did learn this, Mr. Chairman, that in Hamilton we have not graduated one child in 10 out of grade VIII school for the deaf. That is a rather remarkable statement, I believe, because we have 3 classes, and this school was started, during the war, when the Belleville school for the deaf was closed and was used by the federal government.

I have also learned that we have deaf and hard of hearing children who are being put out of school at the age of 16 who have only a grade V education. They have no place to go; they cannot get a job, with the result they have

become burdens on their parents. Eventually, when their parents pass on, it means they will become charges of the province of Ontario. There is no other way out for them.

It is very serious, and we had a meeting with the hon. Minister and with the parents, but we have not been able to accomplish anything as far as the board of education in Hamilton is concerned. We do not have a spare teacher in Hamilton for the 3 classes, and if a teacher is ill or absent, the whole class has to stay home, and the children, unfortunately, are at a disadvantage in that connection to start with. They are usually 3 years behind a normal child, so that every day they miss is something that is almost impossible for them to catch up, and yet this has been going on now for 10 years.

THE CHAIRMAN: I wonder if we could ask the hon. member to reserve his remarks to the budget debate?

MR. CHILD: Well, this is on education.

HON. MR. FROST: May I say, Mr. Chairman, we have had a very wide latitude this afternoon. We have not been speaking on one single estimate that I know of, and I think it is about time we got ahead. I do not want to interrupt the hon. member's speech, and therefore I think he should proceed and finish the point and then, after that, let us confine ourselves to the items.

MR. CHILD: Why I brought it up today is because it is a matter of education, and, to a degree, it does have something to do with the budget as far as recommendations are concerned.

The Deaf and Hard of Hearing Association was formed only because they had to have some protection to try and get something more from the board of education. They have a number of items they specifically want; to encourage the churches to take a more active interest in deaf and hard of hearing children; to set up purposes in co-

operation with other organizations; and to increase the scope of the children's present education.

Unfortunately, they have not received the co-operation of our present board of education. Although it is an elected body, the same as we are, actually there are about 3 or 4 men in the city of Hamilton who run our board. Although they are elected representatives, like ourselves, they are inclined to say, "Hands off this business of politics."

It is this "holier than thou" business, and, "We are the board of education and heaven help anybody who criticizes us." It is very difficult sometimes to just keep it that way, particularly when a group of parents have gone as far as they can and have not been able to accomplish what they want.

I mention these things because there are 30 or 40, and probably 50 children next year, who may not have the opportunity for any education at all. We talk about lack of teachers, but in Hamilton at the present time the teachers—and I have it on reasonably good information—are being influenced by the board of education, those who are teaching the deaf and hard of hearing children, to ask for transfers to normal classes next year. So there will not be any teachers available in Hamilton for these special classes, and I do not know what provisions we are making here, as far as the province is concerned, to replace any teachers of that particular type.

But I do know this, that unless something is done in order to replace the teachers, there are going to be 30 or 40 children in Hamilton next year without any opportunity for education, and that, I suggest is a very serious problem.

Up until now the teachers have not been able, possibly, to carry on as much as they would like. There has been no criticism of the 3 teachers; they are dedicated to their work. However, there have been no improvements made in the facilities in Hamilton for a number of years. The board of education in Belleville has actually threatened the parents

of the children that if they do not quit this association next year there will not be any teachers, and that is exactly what is happening at the present time.

There may be an ample supply of teachers for normal schools or normal classes, but, according to the board in Hamilton, there is not a supply of teachers for these special classes, and we are finding ourselves in rather a predicament.

Unless the parents go along with what they suggest and stop asking for more education, or better facilities, next year we will not have any teachers in Hamilton—none whatsoever to teach our deaf and hard of hearing children.

It just means this, that the government may have to step in and pass legislation making it mandatory—because at the present time it is not mandatory—for any municipality to teach deaf and hard of hearing children; it is something that, as a trustee said, "It is only by the grace and humanity of our trustees that we do it at all in Hamilton." At the present time they can refuse to teach any deaf and hard of hearing children. They say that they cannot afford it, that the province does not contribute much towards it, and that their expenses are extremely high, and for that reason they may not be interested.

It has always been my impression that every child in the province of Ontario would have equal opportunity. We have heard it said today about race, creed and colour, but it should also apply to the deaf and handicapped, and that is exactly what we have in Hamilton at the present time.

I would suggest to the hon. Minister that what is going to happen depends on one of two alternatives—that either we pass legislation making it mandatory upon municipalities that have possibly 5 or 7 children—enough for a small class—to teach the children, or, there will have to be another school built similar to that in Hamilton so that all children will have an equal opportunity.

At the present time there are possibly 100 parents who are somewhat uneasy,

to say the least, because they fear that next year their children will not have any education at all, and this is only because the board of education has taken it upon themselves and have told them that they do not want to teach them, that they are not getting a large grant from the province, and that if they feel like quitting, then they can; that there is no obligation on their part to do it.

I would respectfully suggest to the hon. Minister of Education that situations of this type make it imperative that the province take over the entire cost of educating the deaf and hard of hearing children in the province, the same as they do for the children attending our Belleville School.

However, I believe there is a distinct advantage to the children who attend school in their own city. In this way they are able to be home every evening and to have the love, affection and understanding of their parents, brothers and sisters, and they also have the opportunity of play with the normal child in their neighbourhood.

I believe also that the children of two and three years of age should be given pre-school training. This has worked out exceptionally well, I understand, in Ottawa where the board has gone out of its way to assist these children.

I trust the hon. Minister of Education will give this matter his immediate attention, and also give consideration to having the legislation amended to make it mandatory for cities or towns that have 5 or more deaf or hard of hearing children to set up proper classroom facilities so that these unfortunate children may have equal opportunity for education in spite of their handicaps.

MR. WHICHER: Inspection of Indian schools, item No. 4 on vote 402: would the hon. Minister say something about that, how it is carried on?

HON. MR. DUNLOP: Yes. Our department inspects the Indian schools on the request of the Indian affairs branch at Ottawa and we are paid for it, not very much, but we do it.

MR. WHICHER: This government is paid for it.

MR. J. SPENCE (Kent East): Item No. 1: this year in the estimates the amount is \$1,740,000, and in 1956-1957, the hon. Minister had only \$104,500, so there seems to be a change here. Could the hon. Minister enlighten us about that?

HON. MR. DUNLOP: We have amalgamated two branches in our department, the vocational and the academic, and we have more inspectors and more assistant superintendents.

MR. WHICHER: On item No. 6, I would like to have the hon. Minister explain some of these things we are not familiar with. Would the hon. Minister explain the radio broadcasts?

HON. MR. DUNLOP: We provide radio broadcasts for the schools regularly through the year, and this amount is for the payment of script writers, actors, musicians, and so on. The rates have gone up for script writers, actors and musicians. We have given, during the year now closing, 102 school broadcasts in the elementary and secondary schools of Ontario, in co-operation with the Canadian Broadcasting Corporation.

Votes 402 and 403 agreed to.

On vote 404:

MR. WINTERMEYER: Mr. Chairman, in conjunction with vote 404, I would like to ask the hon. Minister a few questions with respect to the qualifications of high school teachers.

Am I right in understanding that there are two methods of qualifying for high school teaching at the present time?

First is the regular procedure where a university graduate proceeds to the Ontario College of Education for a full one year and thereby becomes qualified.

The second method is that, where such a qualified person is not available in any school board district, the particular school board may encourage a university graduate providing that graduate promises to attend a 10 weeks' summer course, then teach for a year and then go back to the summer school for an ensuing 5 weeks. To my knowledge, those are the only two ways a person can qualify.

If I remember correctly, the hon. Minister advised us a few days ago that at the present time the Ontario College of Education had 264 pupils enrolled, and I suppose that is in the regular course. At the same time, my advice is that there are approximately 400 pursuing the subsidiary or second method of qualifying themselves, that is a summer school course.

I believe it is a fact that a year ago there were approximately 411 people at the Ontario College of Education in the regular course.

I quite appreciate there is a problem. As we were saying earlier, we are in an emergency period wherein we have to take emergency measures. But my concern in this respect is that herein we are perpetuating the emergency, that is, fewer and fewer people apparently are going through the regular prescribed course at the Ontario College of Education, and more and more people are taking the subsidiary or part-time summer course.

I am sure hon. members would agree that is not desirable, and I am not saying the government is responsible for it.

But I would like to know from the hon. Minister what he intends to do to change what is becoming a dangerous trend, where people who are considering the high school teaching profession are normally and naturally going to be directed to this shorter summer course. In all probability, the time will come when we will lose substantially the enrolment of the Ontario College of Education.

HON. MR. DUNLOP: Those figures, first of all, 264, there are 83 industrial, and I think the 411 includes—

MR. WINTERMEYER: I am sorry, that is my error, 264 were academic and there were 83 enrolled in the industrial arts, so if you want to take the total it would be 264 plus 83, which gives you 347. My 411 was academic, and to that I would have to add 68 industrial arts, making a total of 479, so the proportion still stands.

HON. MR. DUNLOP: In this special emergency plan, in those 15 weeks, the students get — and I have been assured of this by a dean who was there for 11 years and by the dean who is there now — the students get everything that is given ordinarily in the year in the College of Education, except one subject which they make take in a third summer course, one optional subject, drama, literary society, music, camera club and that sort of thing.

It is an all-inclusive programme where everything that is required is given, and some people are telling me it should be carried on indefinitely. I do not think we should carry it on indefinitely, because those other things are desirable but not necessary, but this is filling the gap in the meantime.

MR. WINTERMEYER: If the hon. Minister is correct in this, I would suggest, instead of perpetuating these alternative methods, that we decide the second method is quite adequate and divide the regular year into two parts, and make everybody attend for 6 months. Then we would have everybody going through the Ontario College of Education on a shorter term, but you would at least have some degree of uniformity, because what the hon. Minister is doing now is definitely aggravating the very system he is endeavouring to cure by encouraging people to take the shorter course.

HON. MR. DUNLOP: It has worked out very nicely.

MR. WINTERMEYER: In 1955, we had 411; in 1953, we had 377; in 1952, 385; and today, 1957, we have only 264, which is a fantastic thing in terms of the emergency which is upon us. Granted we have more taking summer courses, we have 400 in that course, but obviously what the people are doing is making the intelligent and more economic selection of preferring the summer course to the routine course.

If the summer course is adequate and in 15 weeks the hon. Minister can give all they need, then I say divide the curriculum into two semesters and have everyone take a 6 months' course at the Ontario College of Education.

MR. INNES: Mr. Chairman, I have a situation which I would like to have the hon. Minister comment on. This happened in the county of Perth. Apparently the school board took a vote on a site for a school and also a debenture, and No. 1 on the site was defeated and No. 2 was carried.

HON. MR. FROST: Is that on this estimate?

MR. INNES: I think it would be under the supervision and inspection.

HON. MR. FROST: If the question is on the estimate, then proceed, but if it is not on this estimate, then wait for the proper estimate. We have been wandering all over the place this afternoon.

Votes 404 to 409, inclusive, agreed to.

On vote 410:

HON. MR. FROST: Mr. Chairman, may I ask that you do now call it 6.00 o'clock and we reconvene at 8.00 o'clock this evening. I propose to move tonight, at the time of adjournment, that tomorrow and on Thursday we meet at 2.00 o'clock in the afternoon.

MR. MacDONALD: Is the night sitting on Thursday still on?

HON. MR. FROST: Yes. Mr. Speaker, it may be necessary to change the Thursday night sitting. I find there is a civil service dance on Thursday night, and it may be necessary, with the agreement of the House, to move the night session forward to Wednesday night. I am not sure of that, but will check on it, as I just received a memo a moment ago.

It being 6.00 of the clock, the House took recess.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, March 12, 1957

Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Tuesday, March 12, 1957

Estimates, Department of Education, continued, Mr. Dunlop	997
Estimates, Provincial Secretary's Department, Mr. Dunbar	1009
Motion to adjourn, Mr. Frost, agreed to	1030

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

TUESDAY, MARCH 12, 1957

8.00 O'CLOCK P.M.

The House resumed.

ESTIMATES, DEPARTMENT OF EDUCATION

(Continued)

On vote 412:

MR. R. M. WHICHER (Bruce): Mr. Chairman, I think every one of these miscellaneous grants should be explained. However, I will start at the bottom. It seems to me \$27,450 is a considerable amount to be paid as may be directed by the hon. Minister. I would like the hon. Minister to explain this and also how much was given last year and to whom.

HON. W. J. DUNLOP (Minister of Education): This is the record for last year. The total was \$24,300 under this item. World University Service of Canada, \$3,500; Workers' Educational Association, \$6,000; Ontario Federation of School Athletic Associations, \$8,000.

MR. WHICHER: To save time, would the hon. Minister inform us who the Workers' Educational Association are, to whom they gave \$6,000?

HON. MR. DUNLOP: Back in 1921 I had the honour of being one of those who founded an educational organization for the benefit of working men

and women. The others in that group were trade unionists, plus one or two educationalists like the principal of Upper Canada College of those days.

We founded what we called the Workers' Educational Association for working people; not trade unionists alone, but trade unionists and others who are engaged in, generally, the same sort of occupations.

That organization has carried on. It was in the University of Toronto in those days. Although it still holds its classes in the university, it is now supported to this extent by the government and not at all by the university.

MR. WHICHER: Is this organization solely in Toronto or is it in other places?

HON. MR. DUNLOP: Toronto, Stratford, Kitchener and Oshawa.

MR. MacDONALD: And Wiarton?

MR. T. D. THOMAS (Oshawa): There is one item I overlooked, and I would ask if the hon. Minister would allow me to refer to the item in vote 401 which concerns the public libraries.

There was a statement in the paper the other day that the Toronto city council had been in consultation with the hon. Minister respecting an increase in the grants for public libraries and, according to the report, the hon. Minister had given a very attentive hearing to that and, I think, had practically promised something would be done.

The question I would like to ask the hon. Minister, Mr. Chairman, is this: If it is to be done for Toronto, is there any likelihood of it being done for any other municipality?

HON. MR. DUNLOP: It does not need to be. The proposition is this:

Here is an amount of money voted for public libraries. It is given as grants to libraries for the purchase of books, salaries of librarians — a certificated librarian receives more — and little items like that. It is distributed among all the public libraries in Ontario, but some years ago a ceiling was put on of \$60,000. No public library in Ontario, no municipality, could receive more than \$60,000 in one year.

The only municipality that could have more, if it were paid on the same basis — purchase of books, librarian and so on — would be Toronto, which could qualify for almost \$214,000. That would take a quarter of the whole amount voted and, at the present time, we cannot do it.

What I promised the mayor and his board of control was that I would submit the request to the treasury board. The little village of Tara, in Bruce county, I am sorry to say, gets a grant of \$93.12 and here is Toronto wanting \$214,000. I do not know what the hon. member for Bruce will say about that.

MR. J. F. EDWARDS (Perth): I would like to go along with the hon. Minister as far as he has gone with the fair distribution of grants to libraries. I happen to live in a town which has one of the finest libraries in the province for a place of its size, and many people from distances away come over to see it.

A year or so ago the hon. Prime Minister opened a library in Milverton, which is subject to the same grants, and with which they are very happy.

One thing I would like to mention at this time is that the grant is based on another angle, and that is, what is collected to support these libraries.

Palmerston and Stratford are the two highest, I believe, and they collect two mills, which is the highest percentage of any tax rate in this province, to support their libraries.

HON. MR. DUNLOP: That is one condition I should have mentioned — the amount of local support.

MR. EDWARDS: I would like to bring to the attention of the House and to the attention of the hon. Prime Minister, the rambling talk blaming the government for the high cost of education. In my opinion, the government is not to blame at all.

Sometimes a lot of problems are created by federal immigration schemes and industry settling in communities. Apparently, the federal government has not seen fit to assist, and yet I have in my hand a notice which reads:

Now I can go to college through the regular officers' training plan.

It seems that anyone who does not join the army is discriminated against, as far as the federal government is concerned.

THE CHAIRMAN: The hon. member must stay with the estimates.

MR. WHICHER: I would like to ask one further question on the library grant because, I believe, it is covered by the estimates, and that is regarding the qualification of the librarian. I understand that has something to do with the amount of grant that is forthcoming to any municipality.

Does the hon. Minister think it is fair to compare the qualification of a librarian in Tara, let us say, to one who might be in Toronto? It is not necessary that a librarian in Tara have the qualifications of anyone in the larger centres.

I would like to have the hon. Minister explain how he gets around the obvious truth that it is not as necessary to have a fully qualified librarian in the smaller centres as it is in the larger ones.

HON. MR. DUNLOP: We consider a certificated librarian one who holds a university degree, and who has spent a year at the library school.

MR. WHICHER: Well, what is the grant for that?

HON. MR. DUNLOP: I do not know what grant we pay for that.

MR. WHICHER: I think we should know.

HON. MR. FROST: We will try to find out, if it will assist the hon. member's mental processes.

MR. R. GISBORN (Wentworth East): Mr. Chairman, may I revert to item No. 6 in vote 405. I did intend to say a few words in regard to the problems of the deaf and the hard of hearing in Hamilton, but the hon. member for Wentworth (Mr. Child) "stole my thunder", you might say. I am very pleased that he did bring the matter forward, and I am glad that he has explained it very thoroughly.

The question I would like to ask is: I see there is an increase of about \$128,000 in the estimates this year for salaries. May we have a short explanation of what increased benefits might result in regard to the deaf and the hard of hearing schools?

HON. MR. DUNLOP: Item No. 6 of vote 405?

MR. GISBORN: That is it.

HON. MR. DUNLOP: There are some French-speaking children in Ontario who are deaf and some who are blind. We have the school for the deaf at Belleville, but they are all English-speaking there. We have the school at Brantford for the blind, and they are all English-speaking there. So we pay for the education of French-speaking children with these handicaps at schools in Montreal.

MR. GISBORN: Thank you. May I ask with respect to the Hamilton problem, as I mentioned last year, has the hon. Minister anything in mind on another school or other facilities in the southwestern part of Ontario with regard to the deaf?

HON. MR. DUNLOP: Our school for the deaf in Belleville is now about at the maximum, according to the number of pupils there. We should not have a school of more than 500, and Belleville is going to be at the 500 mark in a very short time.

MR. GISBORN: Just one other question, to help clear up the serious problem. Could not the hon. Minister send in someone to assist with the problem which exists in Hamilton, to make sure these people do not resign and that the classes will continue in the Gibson Avenue school?

HON. MR. DUNLOP: I have an idea that can be worked out very nicely.

MR. D. C. MacDONALD (York South): We reverted for a moment, but now I take it we are going back to vote 412. I notice that in miscellaneous grants there is an amount for \$11,250 to the Ontario schools trustees council.

I want to make a brief comment, Mr. Chairman, and ask a question in regard to this, because I think the Ontario schools trustees council is in a different category than most of the other organizations to which grants are being given.

Most of the others are welfare or historical societies or discharge some such function. This is a body which, in effect, is an intermediary body or a pressure group, call it what you will, as between the various local trustees councils and the provincial government. I do not think it is basically a good principle that an organization in that position should be subsidized by the government.

The question is want to raise is this: I notice that in their brief, at page 4, the Ontario school trustees council asks for legislation to be enacted that mem-

bership should be mandatory in their council. I do not know what proportion of the eligible membership they have in their council at the present time, and whether if it were mandatory, it would in effect provide them with the same amount of money that the provincial government is now making available. But it seems to me that any organization, which is in such a relationship *vis-a-vis* the government, should not be subsidized by the government. It is basically a bad principle.

It was drawn to my attention — and when I read it I could not help but concur — that if one reads the resolutions on the back of this annual brief, from the various local councils, one finds they are much, much tougher than the actual presentation made to the government in the earlier part of the brief, and this is precisely the kind of thing that I do not like to see.

HON. L. M. FROST (Prime Minister): Mr. Chairman, the hon. member for York South knows that when the mayors and reeves association make representations to us, they do not necessarily carry all the representations made by local councils. It is a combined point of view.

Very often they append to their brief the resolutions which are made by the local councils, and they may be quite a lot stronger, and indeed, they may be weaker than the representation made by the local associations.

That applied the other day in connection with a municipal association from northwestern Ontario. It is common practice that the central association will append the resolution, but will make some different representation.

I think it is a great mistake to impugn the honesty of a great association like the Ontario school trustees council. They are a great body of people, and I will tell the hon. member for York South they are not "for sale."

We have endeavoured to help a great number of these associations along in their work, and have encouraged them,

and I can assure the hon. member that, because they do not in their general brief carry all that the local council will put in their specific brief, does not mean a thing. That happens with the mayors and reeves association, the Ontario municipal association, and all of them.

MR. MacDONALD: Yes, Mr. Chairman, but the mayors and reeves association does not happen to be an organization which is receiving a subsidy from this province, and I repeat that it is basically not a good principle.

HON. MR. FROST: Oh, well, everybody is crooked, according to the hon. member for York South.

MR. MacDONALD: Well.

HON. MR. FROST: I would not call them dishonest, and that is what the hon. member is calling them. Why does he not come out in the open and say that they are dishonest?

MR. MacDONALD: I am saying there are some people in the Ontario school trustees council who are not satisfied with the brief which was presented this year.

HON. MR. FROST: Well, we have to take it as presented.

MR. MacDONALD: Because it is a watered down version of resolutions passed in their local area.

HON. MR. FROST: No doubt the hon. member feels that is so.

MR. MacDONALD: And I am not taking that back one bit, and I am co-ordinating it with the fact that it is basically not a good principle that an organization which is a pressure group on the government should be subsidized by it, because if there are people who begin to get suspicions like these, they will find that there is a basis for those suspicions.

HON. MR. FROST: We will tell them the next time they come down the hon. member thinks they are a bunch of crooks.

MR. MacDONALD: We are back to the same problem, Mr. Chairman. I do not think we should have night sittings because the hon. Prime Minister "blows his top" before we are 10 minutes under way.

Let me get back to my question. Since we have had to thresh this out, what is the hon. Minister's reaction, or has he indicated any reaction, to the request of the Ontario school trustees council that membership in the council be made mandatory; and secondly, would that provide them with a compensating amount of revenue?

HON. MR. DUNLOP: We have no intention of doing that at all. The government did it for teachers long ago and we want to help some of these organizations. If the hon. member will look at the list he will see the school trustees and ratepayers association and the urban and rural school trustees.

MR. MacDONALD: Yes, but just a minute; they are receiving \$250 and \$500. There is all the difference in the world between those sums and \$11,250.

HON. MR. DUNLOP: Ontario School Trustees, \$4,500; Ontario Educational Association, \$6,000.

HON. MR. FROST: The hon. member for York South wants them all cut off, so we will tell them that.

MR. H. C. NIXON (Brant): Mr. Chairman, before we leave this vote, the Champlain Society, \$5,000. We were told when we were dealing with the treasury estimates that some of the \$25,000 voted for historical sites, monuments, celebrations, etc., went to the Champlain Society. Are they getting double pay?

May I suggest in all seriousness that these items of a similar nature in so many different departments might well

be gathered together into one department, possibly that of the hon. Minister of Travel and Publicity (Mr. Cathcart), whose department's estimates are only \$1 million out of the total estimate of \$820 million.

The hon. Prime Minister might consider putting these various items, that come under the head of historical societies, under the one department.

But were we correctly informed before that the Champlain Society received money out of the treasury department, and now is receiving it out of The Department of Education?

HON. MR. FROST: May I say further to the hon. member for York South that both the mayors and reeves association and the municipal association receive grants, so I guess he wants them included in the same category—that we do not subsidize pressure groups.

MR. MacDONALD: How much of a grant do they get?

HON. MR. FROST: I do not know, but they get some money.

MR. NIXON: What about the Champlain Society?

HON. DANA PORTER (Provincial Treasurer): Perhaps I can answer the question of the hon. member for Brant. My understanding is that last year, out of the vote in The Treasury Department, there was a contribution to the Champlain Society. It was considered appropriate to have that contribution appear as a separate item under miscellaneous grants this year. I do not think I gave the impression that that vote was to be used for the Champlain Society again this year. This is all the Champlain Society is getting.

MR. NIXON: The hon. Minister does not think they got paid from two departments?

HON. MR. PORTER: Oh, no.

MR. GISBORN: Mr. Chairman, with respect to the Workers' Educational Association's \$6,000; I cannot find it in last year's estimates.

HON. MR. DUNLOP: It was paid last year out of miscellaneous, at the end.

MR. GISBORN: That is where I was looking for it but I did not find it.

HON. MR. DUNLOP: That is not published here, it is an estimate, and last year the final item on the page was "miscellaneous", to be paid as directed by the hon. Minister, \$24,300, and the Workers' Educational Association got \$6,000 of that amount. This year we have put it in the estimates.

MR. GISBORN: Could the hon. Minister tell me on what basis that grant is made? Is it on the amount they raised and spent, or on a membership basis?

HON. MR. DUNLOP: No, it is based on the number of classes they have; the number of evening classes.

Vote 412 agreed to.

On vote 413:

MR. WHICHER: Mr. Chairman, on vote 413: the various amounts of money given to these universities, I wonder if the hon. Minister would care to say on what basis these grants are given—that is, why one might be more than another. Is it based on the number of students they have from year to year, or their capital costs, or on what is it based?

HON. MR. DUNLOP: We worked that out very carefully. The late Dr. Althouse went to each university, consulted with the officials, ascertained the number of students and what buildings they needed, and worked out very definitely a 5-year plan of amounts for maintenance and new construction for each university, and we are following that.

Regarding the grants for librarians; I might say to the hon. member for Bruce that there are 5 different sorts of certificates of librarianship: for class A, a grant of \$600 is made; for class B, \$500; for class C, \$300; for class D, \$150; and for class E, \$100.

MR. EDWARDS: Mr. Chairman, under vote 401: I am interested in the grants to universities. I started to present my case before with regard to officers' training and free university training for those who joined the army. It would seem to me only reasonable that the federal government support officers' training, and the man could become an engineer, and his charges are all paid insofar as university fees and living expenses are concerned.

While this grant is given to universities, possibly some thought could be put on the matter with regard to seeing that the fees do not keep increasing each year.

We have a lot of talented people whose parents are unable to put them through university. I know there are Dominion-provincial bursaries. Yet, at the same time, possibly the federal government might be persuaded to go along to assist any student who might want to attend university. This really adds up each year, and it would be a great incentive for many to complete their higher education.

Many people are crying about the shortage of engineers of all kinds, and in that way it would certainly help a great number of people in the province.

Vote 413 agreed to.

On vote 414:

MR. J. J. WINTERMEYER (Waterloo North): I would just like to say a word on that before it is passed on. This afternoon one heard a great deal of discussion on the universities, and the question was made that maybe we are lax, particularly in applied sciences and our engineering courses, as related to some foreign countries.

I think, statistically speaking, that demonstration could be met, but whether it can be met or not is not the point that I am trying to make. My concern is that it would be a fatal mistake if, in our anxiety to develop the engineering or what might be called the applied science courses, we at any time permitted that education to be conducted or executed, if you will, by industry.

I think that education has to be confined to existing universities and that they should have full charge.

In deviating for just a moment, those hon. members who were reading from Russian reports neglected one significant fact; in Russia they are developing no thinkers, no people who are actually promoting the idea of the pure sciences; that is the investigator, the man who develops ideas, the researchers.

If we are concerned only about our technicians, we will not develop one bit. We need technicians, but in addition, what we need are philosophers and men who can sit down and think straight and logically. That, in essence, will do more for this country than anything, and therefore, I suggest that two or three significant factors be taken into consideration.

One is this: It would be fatal to our whole educational system if we encourage enterprises, such as General Motors, to get into the field actively and to take over engineering courses. Those courses should be supervised and should be taught by recognized chartered universities, under the control of the government.

HON. MR. DUNLOP: I agree fully.

MR. WINTERMEYER: The second point that I want to make is this: there is a lot of battering back and forth about "Ottawa help" and non-help, but Ottawa is offering to do something extraordinary in conjunction with universities when they offer this \$100 million for the general cultural development of Canada. All I am saying is that they are doing something extraordinary in that connection.

What I very much would like to see is this: that we add another Dr. Althouse, a very extraordinary man, who was developing a new idea.

What Dr. Althouse had in mind, as I understand it, was the objective of bringing industrial money, if you will, or scholarships to the aid of our universities.

I think in his successor, the hon. Provincial Treasurer, we have a man who, because of his official position and his personal capabilities, is in an ideal position to go out into the world and say to the people of this province that the government is limited in what it can do financially.

He can tell them the government is determined to keep control of higher education, and that the government expects the industries to do something financially to assist us.

I think if the hon. Provincial Treasurer will use those powers and his personality, he can, better than any other hon. member in this House, or anybody in the province, give direction to something that is vitally needed. That "something" is co-ordination in the effort of the assembly to acquire the necessary funds to carry on higher education in the scholarship and general university level.

I am not making this as a political suggestion at all. But in common and in good sense, I think that we must recognize the fact that we have, firstly, a responsibility toward higher education, and I am not suggesting that we have not recognized it. Secondly, I think we must recognize likewise that, unless we can contribute many more dollars into the field than what it would seem we can do, by virtue of our own budget and grants, we are going to fail in our efforts, especially since some hon. member suggested that enrolment will double in the near future.

It is fine for industrial leaders to get up at St. Andrew's-by-the-Sea and other places and talk, but all they can do is talk, because somebody has to crystallize this thinking, somebody has to take the initiative.

With all deference, if I do nothing more in this entire session but try and persuade the hon. Provincial Treasurer to take the lead, I think I will have accomplished far more than any hon. members realize.

HON. MR. FROST: May I just say one word in connection with that, because I know the hon. Provincial Treasurer wants to say something as well. We had the case of one of our large Ontario companies that has given \$2.5 million for that purpose.

MR. MacDONALD: For 5 years.

HON. MR. FROST: But they were held up in this House for contempt and ridicule on the ground that what they gave was "peanuts." I would point out it is a pretty difficult thing for a government to go out and encourage industry to assist, and then be "placarded" in that way.

MR. MacDONALD: Just a moment. I quoted from a very authoritative source of one of the men on the staff of this university, pointing out that whereas a few thousands are being given by industry in this country, by comparison millions are being given by industry in Europe and Britain where they are much more heavily taxed.

All I was suggesting was the amount that was given, so far, was a gesture towards the need. In effect, I am in agreement with what the hon. member for Waterloo North has said, that there is so much required of the hon. Provincial Treasurer, with his personality and stature, to go out into the province and get it.

HON. MR. FROST: There is a campaign on at the present time for Queen's University headed by one of our large Canadian corporations. The hon. Provincial Treasurer is going to be met with this when he goes to some of our Ontario corporations, that what they give is "peanuts", and probably they are going to say, "Well, here, you had better raise it yourself." That is the point.

MR. G. C. WARDROPE (Port Arthur): Mr. Chairman, may I be permitted to say a word. I have a very short letter here that I think might prove of information and help to the hon. Minister of Education, if I may be permitted to read it into the record. It is a letter I received today from the Lions Club of our city.

The Port Arthur-Fort William Lions Club has recently expressed some concern over the apparent duplication of effort in the field of child welfare as represented by the Ontario Society for Crippled Children, the Ontario Foundation for Poliomyelitis, the J. B. Larway Centre for Cerebral Palsy Children, and the Twinhaven School for Retarded Children.

There is a definite interest in our club in supporting these groups, but it is felt that first a thorough investigation should be made of the organization of these groups so that, as far as is possible, their activities can be integrated.

A desire has also been expressed that we might foster some type of a permanent school to centralize the education of all of these types of incapacities amongst our youth.

That is something that is offering the province some assistance, and I believe that is a very rare thing in this House. There is something of a local nature, that they will help to finance, and it might be a subject on which the hon. Minister of Education can give us some information. It might prove of benefit to his department and to educational institutions.

HON. MR. PORTER: Mr. Chairman, in view of what the hon. member for Waterloo North has said, much as I would like to go out and persuade people to subscribe money for universities, I do not know whether, being in the position where I have to raise money compulsorily, that I am the best one to go and ask them to part with it voluntarily. I think the hon. member,

himself, would be in a very much better position.

In most of these universities that are on this list, industry will contribute in a very large way towards their programmes. The amount of money mentioned in the estimates is only a portion of what the universities will receive in order to do their job.

Take, for instance, Queen's University, which the hon. Prime Minister has mentioned; they have been extremely successful in raising money—probably more successful than any other university in the province, in raising money from their own graduates.

The University of Western Ontario will be going out again to raise a very substantial sum of money for their expansion.

McMaster University has raised money for its own purposes, and it may be that they will be going out again for more money from industries, from their alumni, and from other people in that area interested in the university.

The University of Ottawa has a very large and successful campaign for their science and general purposes, and they have been extremely successful in raising a very large sum of money for that very well known institution.

Carleton College is going out after a considerable amount of money—up to about \$1 million, which is a very large amount for a college of that size—and they expect to raise it from the people in the Ottawa area.

Assumption University in Windsor has a campaign for raising funds for the development of Essex College and other buildings they need in the university. Industry has already subscribed very large sums to that campaign.

I would say that anybody who suggests industry is not interested in, and is not subscribing in a very handsome way to, education is overlooking the facts of life—that is all. We must remember governments do not create wealth. It is industry that creates the wealth. The most the governments can do is to take it away from them.

Industry is supporting all of these universities. The University of Toronto proposes to go out on a campaign and raise a very substantial sum of money here. Every one of these universities to which we contribute is either at the present time, or has very recently, or very soon is going to, raise money from the people in the area where they exist, largely from industry.

I think our policy is right. In our contributions we are much more favourably disposed towards the university that goes out on its own and raises money from the local people and those interested in it. That generally is a pretty good evidence that that organization will be doing a good job, because the more people who put their money into it, the more interest there is in it, and the more likely they will get support in every other way.

That has been generally our policy, and that applies to the new grant given this year to Waterloo College, because that is, in some respects, an experimental programme, but it appears to have very widespread support from industry and from voluntary contributions in that area.

In each of these cases we have contributed towards a very definite building plan that has been laid before the government, and the amounts we subscribe for capital construction are to take care of what is likely to be spent in the next 12 months, with the understanding that if the Legislature sees fit next year, this programme will be continued.

That is generally the basis of these grants and the intentions that we have, and by no means are we the only contributor to the universities, although we are, by all means, probably the largest single contributor.

The federal grants are of great assistance: I do not agree with their method of making them, but, nevertheless, it is sound for universities not to be dependent upon the government any more than necessary, and to rely upon a variety of sources of revenue rather than one

source to such an extent they may be subject to some political control.

For that reason, it is all to the good that money comes from the federal government as well as from the provincial government, and, in addition to that, from a variety of sources of a voluntary nature.

MR. WHICHER: Mr. Chairman, on vote 414, we have item No. 1, \$4,000 for compassionate allowances for ex-teachers.

I think hon. members agree there are probably 100 or 200 teachers who were retired some time ago, and who are living on a mere pittance as far as superannuation is concerned. I believe the hon. Prime Minister suggested most of them are now reaching the age of 70, and the \$40 allowance provided by the federal government would be a considerable help, but I see the government has been very generous and are going to allow \$4,000 to be paid as may be directed by the Honourable the Lieutenant-Governor in Council.

My question is this: how many needy teachers will be taken care of by that amount?

HON. MR. DUNLOP: Eight needy teachers, and they are not the group the hon. member is talking about at all. They are a different group entirely.

MR. MacDONALD: Mr. Chairman, I want to go back to the group which the hon. Minister indicated the hon. member for Bruce was not talking about—those who have taught over 40 years, or so.

When the hon. Minister first introduced his estimate, this question was raised by the hon. member for Stormont (Mr. Manley), and the hon. Minister immediately stated in categorical and adamant terms there was going to be no change.

This group made a representation to the committee on education last week, and, unfortunately, I could not attend the

meeting because I was tied up with another committee.

I understand the committee heard their representations very sympathetically, and I was wondering whether the government cannot, for a few very obvious reasons, change their policy with respect to this small group.

Let me take 4 or 5 examples, to bring this down to human terms:

Here is a person, 80 years of age, who taught school for 42 years, and whose highest salary, incidentally, while teaching was \$1,100, and the lowest \$250, and he is receiving a pension of \$617.88 a year.

Another one taught for 40 years, is now 71, and is receiving a pension of \$600 after a teaching career in which the low salary was \$225, although this person actually reached the high salary figure of \$1,800.

Here is a third one: \$637.52 is the pension which he is receiving after teaching for 46 years and 6 months, and this person is now 84 years of age. I do not know exactly what year he retired, but his salary while teaching ranged from \$225 to \$1,150.

Here is a lovely one: a person who is 87 years of age, who taught school for 45 years, and the pension he is getting was \$60.35 per month until a few years ago when the regulations regarding superannuation were altered to include 70 per cent. of the maximum rather than 60 per cent.

What did that result in? That resulted, for this pensioner, in this: his pension was increased from \$60.35 a month to \$60.42 per month—the magnificent sum of a 7-cent increase.

I could give hon. members many more examples of these cases. What I cannot understand is the attitude of the hon. Minister and the government. Their argument is that the fund is on an actuarial basis, and is now facing a deficit of something like \$90 million.

All that are involved are 224 people, people who taught on very low salaries, who are receiving a pension of \$600 to \$625, after teaching 40 to 50 years.

They pointed out in their brief the other day that in 1953 they were told it was impossible to recompute the pensions on the original 10-year basis because of an actuarial deficit, but despite that deficit the \$3,000 ceiling was removed, allowing pensions up to and exceeding \$5,000.

Despite that deficit within recent years, regulations were changed authorizing widows of pensioners who die to get half a pension, so we have widows of pensioners getting as high as \$2,500, whereas a teacher who taught for 40 or 50 years is getting \$600.

If the pensioner received \$5,000 and has died, his widow can get \$2,500; theoretically it is possible for a pensioner to get \$5,000 now and to die tomorrow and his widow would get \$2,500.

Let me make this very clear, I am not objecting to raising the ceiling, nor to the widow of a pensioner getting it. But what I am objecting to—and asking—is why, on the plea of destroying somewhat further the actuarial basis of a fund, the government refuses to give justice to a group of people whose number is only 224 and who have each served this province in 40 to 50 years of teaching.

I say to the hon. Minister and the hon. Prime Minister that it is a shameful proposition, and if the government cannot be shamed into doing anything more, then there is no use arguing further.

HON. MR. DUNLOP: In 1955 and before that, there were requests from retired teachers for an increase in pension. They asked that the term of computation be changed from 15 years before retirement to 10, and at 60 per cent. of the average salary for these 10 years would be the new pension.

Just to do a little more than they asked for, I gave them 70 per cent. of the average salary for the 10 years. The number, however, is just over 3,000, not 224. There are some 3,000 pen-

sioners, and I raised it for the 224 and for the 3,000 too.

Then, there are those where there is no legal obligation—widows of teachers who died before 1949. We gave them \$300 in 1954 in a lump sum, and we are now paying them \$25 a month. There is no legal obligation there, but they want more now, they want \$50 a month. The teachers' federation is asking that the computation should be for the 7 best years and not 10, so there are at least 3 groups pressing for increases, and, if we do it for one we do it for all.

MR. MacDONALD: Surely that principle does not necessarily follow. Surely if this government is doing it for someone, it does it for the group in the greatest need. These people are in the greatest need, they have the lowest pensions, and are at an age when they need medical care and face the expenditures.

HON. MR. DUNLOP: Quite a number of them taught only 20 or 22 years.

MR. MacDONALD: In this group I am talking about, not a single one taught less than 40 years, and the argument that was given by the hon. Prime Minister and the hon. Minister the other day that they are getting the old age pension means nothing. The people who are getting \$5,000, if they are 70 years of age, are getting an old age pension, so why not use that as an argument for people who receive \$617 or something of that nature?

HON. MR. FROST: The hon. member knows perfectly well that there are all sorts of pension plans that were put in years ago, pensions for railroaders, for instance, that are totally inadequate today.

That has happened all along the line and unfortunately it is true of the teachers, but it is also true of some civil servants.

The situation was this: Back in 1952, we recognized that the situation was

general in our province, it did not apply only to teachers, it applied to municipality, railroad, and industrial employees, all sorts of people, and even workmen's compensation cases that happened years ago.

To try and meet that situation, the federal and provincial governments reached the old age pension agreement that was agreed to at that time. I do not think it necessary to go back into the records, but that was one of the considerations.

I very well remember at that time an old school principal who taught me in school, a very fine old gentleman, came to me and said that his pension was some \$1,130, something of that sort. By that arrangement, by the old age pension arrangement which he lived to get, he and his wife received \$960 more. Again, it is difficult, it is impossible, to make these things all work out evenly. There are places that they are not only difficult, they are impossible.

I say to the hon. member it is not as simple as the 224 people whom the hon. member mentions. We have reached a point where we have increased our actuarial difficulties, and now the province is voting money into the two pension schemes we have. All we can do, is to do the best we can. In the bad case which the hon. member mentions, with a sum of \$60, I do not know how that came about.

MR. MacDONALD: That was per month.

HON. MR. FROST: Sixty dollars per month in that particular case. If that person is single, he or she gets \$100 a month. I admit that is not too satisfactory but, nevertheless, it is a very great improvement over the other situation.

The other day I was talking to someone connected with the federal government, in the Ministry, who is over 70 years of age and receiving the old age pension. He said, "I do not need this

old age pension and I would, in many ways, prefer not to have it. But it is part of the scheme of things; I would prefer that it go to somebody who does need it."

The difficulty is, how are these things worked out on a universal basis? I say to the hon. member, of course there are cases which are not going to be as good as they might be, but we are endeavouring to make them the best we can, and that is the way it works out.

MR. GISBORN: Mr. Chairman, this says "compassionate allowance for ex-teachers, etc." Does that include other persons?

HON. MR. DUNLOP: Teachers or widows of teachers. For example, the widow of an inspector who was killed in a motor accident in the course of his duties was in straitened circumstances, and she gets \$60 a month.

MR. GISBORN: This covers widows?

HON. MR. DUNLOP: Widows of teachers or ex-teachers.

MR. T. D. THOMAS: I would like to ask a question about the needs of children suffering from cerebral palsy. I put this question to the hon. Minister the other day, and was told the government is paying 80 per cent. of the teachers' salary. I am very much interested in a class of children in Oshawa suffering from cerebral palsy, and I wonder if the hon. Minister could give me the number of children receiving any training in Ontario, and how many schools are operating in Ontario, at the present time. If he has not that information now, perhaps he could get it later.

HON. MR. DUNLOP: I know of Hamilton and Ottawa but I will get the full information later.

Vote 414 agreed to.

ESTIMATES, DEPARTMENT
OF PROVINCIAL SECRETARY

On vote 1,601:

Vote 1,601 agreed to.

On vote 1,602:

HON. G. H. DUNBAR (Provincial Secretary): I would like to make a few remarks prior to entering the estimates. The amount of money concerned, for this department, is not as heavy as it is in some of the other departments. Nevertheless, we are kept quite busy.

I have a good staff. A man who has spent the greater part of his life in the department is my deputy, Mr. R. J. Cudney, and all his different assistants, in the companies branch. In the civil servants branch, we have Mr. C. J. Foster, and there are some very able men and women assisting him.

And then in the registrar-general's branch as hon. members all know, there are Mr. R. B. Wallace and Mr. Humphrey. I am sure hon. members have met them often, because they do deal with a lot of the problems with which the hon. members of this House are concerned, including births, deaths, and marriages. I suppose we will hear about some of the marriages tonight. By the time we are through, we will know whether we are married or not.

MR. H. C. NIXON (Brant): We will hear it from the hon. Provincial Secretary, will we not?

HON. MR. DUNBAR: And we will hear it from the hon. member.

MR. NIXON: The hon. Provincial Secretary seems to have his "wind up."

HON. MR. DUNBAR: I always like to hear the hon. member's mellow voice. It is such a nice voice, he makes a person feel there is a little honey running down one's back.

In the companies branch, we have had quite a heavy year. The revenue has

increased considerably. We will take in \$2,073,000 this year in the companies branch. We have a great number of orders. Last year it was \$2,007,000, so hon. members can see it is about \$67,000 over that of last year, and that is a small branch.

The increase in the revenue is largely due to the increase in the number of companies being formed. This year, we will incorporate 5,000 new companies, whereas last year we incorporated about 4,600. So the growth in the companies in the province is due to the expansion of business and prosperity in the province in general.

In the companies branch, we got behind last year with getting our charters out, and had been behind for some time, but we did bring in some outsiders to help out the civil servants, who had been working hard, some of them working overtime. We did get caught up and now, I am glad to say, we can get out the charters in 10 days to two weeks, and there is no delay such as we had before.

Hon. members will understand that, when I say 10 days to two weeks, we have to make a search in that time as well as make out the charter, to be sure that we are not giving a new firm the same name that some other firm has had for some years.

Ontario incorporated more companies last year, and the year before, than did any other province in the Dominion of Canada. Quebec was second, and British Columbia third. So, we have led in the incorporation of companies.

In the present fiscal year ending March 31, 1957, there have been 42,046 marriages solemnized in Ontario. About two-thirds of these marriages were solemnized under the authority of marriage licences, and the other third were solemnized under the authority of the publication of banns.

The new Marriage Act of 1950 provided for civil marriages being performed by county court judges or magistrates. About 3.5 per cent. of the total marriages in the province of Ontario have been performed under the new Act, so

as hon. members will see, the people stick to the old methods.

MR. NIXON: May I ask the hon. Minister if there is not another category he missed? How many were solemnized under the Longhouse rights?

HON. MR. DUNBAR: I have not come to that yet.

MR. NIXON: Oh, the hon. Minister is coming to that?

HON. MR. DUNBAR: Oh, yes. There are 4 of them, as the hon. member knows, who got anxious since he got the figures, and were married. They became interested, I think perhaps that newspaper advertisement helped them along, because we had these 28 Indians married since June 1st last, and we have 32 as of today. So they are coming along fairly well in the last few days.

I want to say a word about The Marriage Act. I went along with the federal government last fall, thinking it was a good thing to make The Marriage Act not apply to Indians, because it always did. There was no change made in The Marriage Act, other than to give the service free of charge to the Indians, so that they could have no objection to coming through the proper channels, through the provincial registration, and not through federal channels. However, the Indians thought differently, and I think differently today.

MR. NIXON: Mr. Chairman, that satisfies me completely.

HON. MR. DUNBAR: Yes, I say that if Ottawa cannot convince the Indians, who are their charges, that they should be married under the provincial Act—and it must be remembered that this is the only province in the Dominion that has two Acts under which Indians are married—if the federal government fails to convince the Indians that they should be married, and register with the province of Ontario, so long as they are

married by their Longhouse chief, and forward that marriage certificate to the Dominion government, and the Dominion government forward it to us, we acknowledge that as correct.

MR. NIXON: If the hon. Minister had made that statement last year, he would have saved himself and this country a lot of trouble and grief.

HON. MR. DUNBAR: Oh, no.

MR. NIXON: I am in entire agreement with the attitude he is taking at the present time. It is one that he never should have left.

HON. MR. DUNBAR: All we did last year was to make it free of charge, and in that respect we are the only province in the Dominion doing so. That is the only thing.

MR. A. WREN: Oh, no.

HON. MR. DUNBAR: That is the only thing we did. I challenge hon. members to find one word changed in the Act, get me one there. The hon. member for Kenora back there says, "Oh, no." "Oh, no" what? Show me anything, any change at all in the Act.

I was going along in a friendly manner with the federal government. They wanted to get rid of the Act and put it in the proper place. I agreed with them, but the Indians did not think so.

I do know something about these Indians in Brantford, because I served with them. I was a private, a lieutenant, and a captain with them in the 4th battalion, the Hamilton battalion. We had one platoon of Indians from the Brantford reserve in that battalion.

There is no person in this House who understands Indians any better than I do, particularly those from that reserve. When one lives with them, and fights with them, then one knows them pretty well, and that is what we did in World War I, we lived together.

Every man who was in my office last year, the group from the Brantford reserve, agreed with me that this was the proper way; the way that the federal government had suggested. It was not my suggestion at all, we were perfectly satisfied with the way things were carried on. But the federal government said, "No, we want to get rid of this, we want the province to carry it on."

The hon. member for Brant knows in his heart that the province is the proper place, but there is no use in quarreling with any person, because I have come to realize in my experience of life that for a man to be called an Indian he does not need to be coloured.

We have a lot of white Indians too, as hon. members know. All one has to do is come down some evening to the Royal York Hotel and I will point them out, without their being coloured at all.

Now we have the Ontario civil servants. I have got along very well with the hon. member for Brant regarding The Marriage Act.

MR. NIXON: Yes, we are all right now.

HON. MR. DUNBAR: Yes. Now I come to the hon. member for York South (Mr. MacDonald), who is always saying that we are trying to trample down the civil servant.

When the hon. member was talking about the civil servant, he was talking to one. I was a civil servant in the federal civil service after World War I, and I enjoyed it very much, I had a lot of friends there. I bowled on the team that won the city of Ottawa championship, so one gets to know those fellows well.

The hon. member knows as well as I do that the constituency which I have represented in Ottawa since 1937 is about 65 per cent. civil servants.

MR. MacDONALD: I think the hon. Minister represented me for a while.

HON. MR. DUNBAR: I certainly represent all the people there, they would not be sending me back with a 9,000 majority, election after election, if I did not.

MR. NIXON: What majority did the hon. Minister get last time?

HON. MR. DUNBAR: Last time of course there were two ridings instead of one. That poor fellow who was running against me was "kidded" so much that when he looked at the majority he said: "If I had had a couple more days, I might have caught up to him." Since 1937, in half a riding and what I have had before, it is not too bad.

HON. L. M. FROST (Prime Minister): It does not matter who the hon. Minister's opposition is, the poor fellow, he has not a chance in the world.

HON. MR. DUNBAR: He is just like the Irishman who came out from Ireland. I was talking to the Irishman's wife, who was up in Pembroke. I asked: "Is your husband working all the time?" She said: "Yes, he is; he is up at that sash and door factory, but he is just losing his time with what he is getting there." So that is what that poor fellow was doing in my riding, he was just "losing" his time.

The estimates, of course, of the civil service branch will be increased considerably, because the number of civil servants is increasing each year. Some say they are increasing in greater proportion than they should. At the beginning of the century we had 700 civil servants and we now have 22,000.

But when one compares this province with the province it was at the beginning of the century, and its revenue, it is true that there are 30 civil servants now for every one then. But what is the revenue compared with the \$5 million revenue that it was in 1900? I suppose it would be a little less than \$5 million. Now, it is \$575 million, I believe that is the figure, or thereabouts. So that is quite a difference.

I want particularly to mention the "casual staff", which is the favourite topic of the hon. member for York South. I explained to him when I was introducing the bill that we were reducing that number, but that the number of doctors was scarce. We had to employ outside doctors and it was a delay, a bottleneck in that way, because our own doctors could not look after the number that were coming in to be examined.

Of course, it takes "an old dog for a hard road," so I said, "All right" to the hon. Prime Minister, "then we will do away with the medical examinations, other than the early check-up for tubercular trouble." From now on there is no civil service medical examination.

Is it done away with in any other province in the Dominion of Canada?

HON. MR. FROST: No.

HON. MR. DUNBAR: No, it is not, and the new procedure is going to work well. We find by checking on the departments that there were perhaps in one large department 5 men.

MR. MacDONALD: Mr. Chairman, may I ask when this change was made?

HON. MR. DUNBAR: Right now.

MR. MacDONALD: Oh, I thought this happened a few months ago.

HON. MR. DUNBAR: No. That should send the hon. member for York South home happy right there.

MR. MacDONALD: One never knows when the rabbit is going to come out of the hat here.

HON. MR. DUNBAR: And now come on, the gentleman with the figures.

HON. MR. FROST: Mr. Chairman, may I say a word in connection with the Indians, and I speak as an Indian chief myself, I believe of the Mohawk tribe.

MR. NIXON: That is right.

HON. MR. FROST: And also as an Indian chief of two or three other tribes, including one near Sarnia. I would like to explain the situation a little more fully to the House.

May I assure the hon. member for Brant that we have not done violence really to the Indians at all. The situation is this, I think that our provisions in this province are far more generous than those of any other province.

The hon. Provincial Secretary is quite right, what we did last year was at the instance of the federal government, which felt that we should make our system of registrations apply to the Indians, for very good reasons. To assist in that, we waived the fees of registration.

May I point out to the hon. member for Brant that the purpose of making registration apply to the Indians was a very apparent one. At the present time there are some 35,000 Indians in Ontario and apparently there are only a very small minority, very largely in Brantford, who object to the system.

The purpose of the registration was to assist the Indian population in connection with the registration of vital statistics relating to births, deaths and marriages. The purpose of course is very apparent; it is in connection with social security in one form or another, old age pensions, old age assistance, mothers' allowances.

The latter would not apply so much as regards age but it would as regards marriage, although the hon. Minister of Welfare (Mr. Cecile) has introduced a very humane measure to provide for the payment of mothers' allowances in case of illegitimate children.

There are a number of reasons. For instance, there are Indians working on these reservations, who are under various industrial pension plans. Some of them are very well employed, and are eligible for pensions.

The purpose of the registration was to assist those people in connection with,

as I say, the vital statistics relating to births, deaths and marriages. The great majority of the Indian population in Ontario accepted that.

However, there is a minority on the Brantford reservation known as the Longhouse Indians. They are Iroquois Indians who follow their own tribal customs in religion, marriage and other matters, which, of course, is their privilege. I think we should protect them in that respect.

They felt that in complying with Ontario regulations they would be waiving treaty rights that went back to the days of their entry into this province in the 1780's, and felt that their only connection with government was with the federal government and not with the provincial government.

I think they are wrong, but that does not apply. Whether they are right or wrong, we would have no desire to have any difference with them at all on that point. If they want to do business with the federal government, I can assure you, Mr. Chairman, that we have no intention of making them do business with us.

We have provided two options. The first one is this:

If any Indian wants to comply with the Ontario regulations which will be without obligation or cost to him, he may do so. In this case, the Ontario government's certificates will be available to him in the ordinary course, and also, in the days to come in connection with problems with which they are going to be faced.

Whether these people realize it or not, they are going to want, in future, particulars of registration of births, marriages, deaths and other things. If they want to comply on an optional basis with our provisions, they may do that.

There is another option, which applies not only to the Longhouse Indians, but also to any other Indian who prefers to rely on his tribal customs. He is at perfect liberty to do so,

and we will give him every protection we can.

In such cases, however, The Department of the Provincial Secretary will have to deal entirely with the federal government. Such Indians do not want to deal with us, and I do not think we should in any way aggravate them, bother them, or force them to deal with us. They can deal with the federal government, and in this case, we will deal with them not directly, but solely through the federal Department of Citizenship and Immigration.

The situation is this: we are quite prepared to accept the decisions of The Department of Citizenship and Immigration as to the dates of births, marriages and deaths, for the purposes of our provincial security provisions. If the federal department says that a child was born on a certain date, then we will fix the eligibility for mothers' allowance on that date.

However, in such cases it is only right and proper we should never be asked to issue any certificates, because we have no records whatever to go on. The Indians must run the risk of doing without these things. No certificate of birth, death or marriage can be issued by us because we have nothing to go on.

But for security provisions, this government will accept the federal records and the federal certificates. I suppose the certificate would be merely a letter stating that So-and-So was born on a certain date.

MR. NIXON: And that will come into the department in a routine manner?

HON. MR. FROST: Oh, yes. The curious thing is this: I find that most of these Indians have no objections to accepting the mothers' allowances and so on from us, but they do not want to comply with our regulations. Now we are making it so they do not have to comply with our regulations. We will try to deal with them through Ottawa.

But I say to the hon. member that we are hopeful of a brighter future in this

respect, that at the present time it appears that probably 75 or 80 per cent. of the Indians in Ontario are very glad to comply with this service, and we hope that before long most of them will comply voluntarily with our regulations, and I think that will ease the difficulties both for them and for us.

At the moment, we do not want to run into any difficulties about the treaties—"as long as water runs and grass grows"—and those things regarding which many of us have had dealings. We do not want to become involved in that at all. These people who do not want to deal with us can deal exclusively with the federal government, and we will try to make our arrangement with Ottawa.

MR. NIXON: May I ask the hon. Prime Minister if this new policy is just out today, as of now?

HON. MR. FROST: Yesterday.

MR. NIXON: The hon. Prime Minister acted faster than I thought he was acting.

HON. MR. FROST: Did I not tell the hon. member yesterday that this was all settled?

MR. NIXON: No, the hon. Prime Minister did not. Mr. Chairman, as you know, I never go out of my way to make a speech. The hon. Provincial Secretary intimated that he expected one from me tonight, but I am going to disappoint him, I am afraid, because I am in agreement with the attitude he takes now, although a little belatedly. The hon. Minister could have saved himself a lot of trouble if he had never "stuck his neck out."

HON. MR. DUNBAR: The hon. member is not going to say that, because I did not "stick my neck out." I endeavoured to co-operate with his "rotten" government at Ottawa.

MR. NIXON: Was the hon. Provincial Secretary the "stooge" of Ottawa? I think that is the word the

hon. Provincial Secretary used, was it not? Did not the hon. Provincial Secretary say we are "stooges"?

HON. MR. FROST: The hon. Provincial Secretary said the hon. member was endeavouring to co-operate.

MR. NIXON: We did not endeavour to co-operate. We were "stooges." We were either "stooges" or "dupes." But look at what the hon. Minister said about this Act last year, which I opposed. Hon. members can read it in *Hansard*; it is about 4 or 5 pages, which is a major effort on my part. I pointed out that this was bad legislation, and the hon. Prime Minister knew it was.

HON. MR. FROST: I do not think the hon. member is right in that. I think the legislation is very good, as it is in effect today. It has not been changed a particle. One option covers 75 or 80 per cent. of the Indians. The other applies only to a minority who wish to depend on what they claim are their treaty rights, and I can assure the hon. member, whatever the legalities are, we do not wish to oppose that. If they want to regard themselves as independent people, or subjects of the federal government, we will so regard them.

MR. NIXON: I go along with the hon. Prime Minister 100 per cent.

HON. MR. DUNBAR: An Indian told me in my office: "We feel the provincial government is trying to help us; we feel the federal government is trying to put something over us. The next thing they will try to make us do is to pay income tax."

MR. NIXON: Let me tell the hon. Minister that litigation is now being initiated to try to prove in the courts that this government has no business in the field of Indian affairs, and I do not think it has. There are some very able lawyers around me here, and I will ask any one of them to read that Act we passed last year—"The Act to amend The Marriage Act," and I say that is

exclusively for Indians. There is not a shadow of doubt about it. The hon. Attorney-General (Mr. Roberts) and every other lawyer knows perfectly well that is a field in which we have no right to legislate. This will be proved when the case comes before the courts.

HON. MR. FROST: Mr. Chairman, let me say to the hon. member that there is no case, as far as the government is concerned. There is nothing to bring to court. We are agreeing entirely. I would say to the hon. member that it is perfectly true we have nothing to do with the Indians.

I do not think we have any obligation in education, and I do not think we have any obligation in welfare. But the hon. member knows we are trying to extend these benefits to these people, and it is curious that the government which is trying to do something for them should be treated as an outlaw government. Just the same, we are going to help them in education and welfare.

MR. NIXON: I can see it is going to be impossible for me to speak for only two minutes without being interrupted, so I am not going to speak tonight.

But the horrible thing about this whole business was that a deadline was set—a cut-off point—June 1st, but for 1,000 years back these Longhouse marriages were perfectly legal, and the children born of them were legitimate. However, after June 1st they were “out”; the marriages were “illegal” and the children were “illegitimate.”

We have just passed 9 months and 10 days, but can anyone imagine the indignity thrust upon these people concerned? I often wondered if the hon. Minister realized he was dealing with human beings who had feelings like the rest of us? Imagine how any hon. member here would feel—who is proud of his children and of his grandchildren, after he has gone through a marriage ceremony compared to a fine

church ceremony in his church or mine, where the bride is in her wedding finery and the groom in his morning coat and Ascot tie, and the proud relatives are there to wish them joy, imagine how he would feel if he found that, lo and behold, when that marriage is blessed with a happy event that such a high authority as the hon. Provincial Secretary of Ontario should say: “You are not married and your child is illegitimate.”

HON. MR. DUNBAR: I did not say anything of the kind.

MR. NIXON: I do not know what in the world the hon. Minister did say.

HON. MR. DUNBAR: I said they would be married free of charge.

MR. NIXON: The hon. Minister said he would not register them because they were not legally married.

HON. MR. DUNBAR: The hon. member is talking about what the federal government said.

MR. NIXON: I say the people of this country were shocked at that attitude. All one had to do was to read the headlines.

HON. MR. FROST: No, it was the federal government which said they would recognize that, because we would not. If the hon. member wants to be a “mouthpiece” for the federal government, he ought to say what they say.

These people declined to register with the hon. Ontario Provincial Secretary, so the federal government said that, such being the case, the name of the child was not “Logan”, it was some other name. In other words, that they were illegitimate.

By this expedient of saying that we will accept the federal government's records altogether, we mean that these Indians, themselves, can go to Ottawa and, through the Indian agent, can have

their marriages recognized as valid, and we are out of the picture. I think that is a good deal, and I think the hon. member will agree with that.

MR. NIXON: The hon. Prime Minister should never have taken any other attitude. Does the hon. Prime Minister not realize the federal government pitched this "hot potato" to him?

HON. MR. FROST: I did not think they did things like that.

MR. NIXON: They could not push them around, so they gave the hon. Prime Minister that job. Does he not think if he had attempted to legislate with regard to education, or with regard to health, in which the province has the same jurisdiction as it has in marriage ceremonies, exclusively for Indians, he would have been "chopped down" so fast it would not even have been funny? Such legislation would be disallowed.

HON. MR. FROST: We have no legislation.

MR. NIXON: Yes, this government has.

HON. MR. FROST: No.

MR. NIXON: This province has an Act that pertains exclusively to Indians, and that is a field in which it has no right to legislate.

HON. MR. FROST: May I point out that the whole effect of the Act is that the Indians need not pay the charges; in other words, we will give them a certificate of marriage or birth and will accept registration for nothing. That Act is still in force and will remain in force, and is covering a great majority of Indians, but those who do not want to comply do not have to.

MR. NIXON: This was brought in particularly in connection with Longhouse Indians, and in the 8 or 9

months which have elapsed, only one has come forward to take advantage of it, and in the whole province only 28 Indians. As I pointed out last year, this legislation is a reflection upon these good people; it is an insult to them, and consideration might well be given to repealing that Act.

HON. MR. FROST: No, those who do not wish to need not use it.

MR. NIXON: How would the hon. Prime Minister like a bill, similar to that Act, applied to the Scottish people?

HON. MR. FROST: Fine.

MR. NIXON: Well, that is fine; I will bring one in. Let me read this short excerpt from —

HON. MR. DUNBAR: Will the hon. member allow me to correct him?

MR. NIXON: According to the return on which the hon. Minister answered my question, there were 28 in Ontario and there were 7 in the Six Nations, and one Longhouse, if I remember rightly.

HON. MR. DUNBAR: The hon. member said "one" a minute ago.

MR. NIXON: I said "one Longhouse."

HON. MR. DUNBAR: There were 6 from the Brantford reserve, 5 at Sioux Lookout, 3 at Cochrane, 3 at Highgate, 2 at Chatham, 2 at Parry Sound, 2 at London, 1 at Cobourg, 1 at Sutton, 1 at St. Thomas, 1 at Kenora, 1 at Rainy River, 1 at Fort William, 1 at Hearst, 1 at Emo, 1 at Thedford, and it was not costing these people anything, but prior to that it was costing them \$5.

If the hon. member does not know anything about this, they did not belong to the Longhouse; they were scattered throughout Ontario, and they had to pay \$5 to be married.

MR. NIXON: Does the hon. Minister not think it is worth paying \$5 to get married?

HON. MR. DUNBAR: I wish I could get the hon. member up there with a big chief; I would give \$10.

MR. NIXON: May I quote:

Queen's Park has given up trying to be the great white father to angry Indians on the Six Nations reserve here, it was learned today, and officially retreated from its attack on the Indians' marital status. As a result, 4 young Indian couples married since last June 1st are legally married.

"It should never have been challenged, it was the cruelest thing I ever heard tell of, and the children are legitimate," the hon. George Dunbar, Provincial Secretary, has told the local Indian agent.

Last Monday Mr. Dunbar said the opposite, claiming Ontario law required Indian chiefs who performed marriages to register as chiefs. But the Indians' lawyer, Malcolm Montgomery, contended that Ottawa, not Queen's Park, was the Indians' authority.

Mr. Montgomery said: "Ontario has backed down and conceded our point, but just to make sure Ottawa, not Ontario, controls the Indians, we are planning a test case before the Ontario Supreme Court."

I propose to leave the matter there, but I will say it has been a sorry episode in Ontario's dealings with the Indian people.

HON. MR. DUNBAR: Mr. Montgomery dealt just with Ottawa?

MR. NIXON: He is representing the Indians.

HON. MR. DUNBAR: He has been around our office quite often, and as late as this afternoon.

MR. NIXON: I was around the office of the hon. Provincial Secretary last Friday, and maybe that is the reason we have this sudden change.

HON. MR. DUNBAR: The hon. member for Brant is "snooping around" a lot of places.

MR. NIXON: I hope I know my way around this place.

HON. MR. DUNBAR: I like to have the hon. member come in, he is good company.

MR. NIXON: I enjoy the company of the hon. Provincial Secretary, too.

HON. MR. DUNBAR: Lest the hon. member "get away" with trying to make people believe I was doing something wrong to the Indians, Ottawa came to my office and suggested this—

MR. NIXON: And the hon. Provincial Secretary "fell for it".

HON. MR. DUNBAR: I said that if we charged them \$5, or charged them any amount, we would be in trouble. British Columbia is the only place where there is a differential in the price, and it is \$1 there compared to the prices of marriages in the other provinces. I agree with the hon. member that, if they agree, that is the proper thing to do, but let us say we will marry them free. That is all I had to do with it.

HON. MR. FROST: The Act was passed last year, and it was to absolve the Indians from paying any fee.

MR. NIXON: It had a much bigger effect than that

HON. MR. FROST: And the difficulty now is gone. Those who wish to use it can do so, and those who do not, do not have to.

If we surrendered to the Indians, I would say there are no people to whom I would rather surrender than to them.

MR. NIXON: I can assure the hon. Prime Minister he is not the first to have surrendered to these fine people. Even hon. Mr. Pickersgill surrendered in a hurry and beat a retreat.

HON. MR. FROST: We did not even wait until we got into court.

Votes 1,602 to 1,607 agreed to.

On vote 1,608:

MR. MacDONALD: Mr. Chairman, I have to play the role of the grim ogre in dispelling this very happy picture. But I think we should look at what has happened to the civil servants during the past year in the province of Ontario.

One year ago, it was possible to rise in this House and quote from editorials from the civil service official publication to the effect that for 18 months to 2 years they had been submitting briefs, and in return got the usual bland smiles but not very much more. They had even sent letters asking what, if anything, was going to be done of a substantive nature on the points they had raised, and did not even get replies. This was the situation a year ago.

I am happy to know that in the past year, there has been a remarkable change, and I am a little curious to know why there has been such a change. Once again I am a little suspicious that one of the main reasons why the government suddenly began to treat the civil servants differently, and roll out the red carpet for them, was because a year ago the civil servants indicated very clearly that they were going to affiliate with the Canadian Congress of Labour.

MR. F. S. THOMAS (Elgin): That is not right.

MR. MacDONALD: I can tell the hon. member that the civil servants spent a great deal of the past year, in the local branches, on the issue of whether or not they would affiliate. It

is true that other conventions in November of last year postponed indefinitely the proposition, but they were certainly giving very serious consideration to it.

MR. F. S. THOMAS: No, they were not, and the hon. member knows that.

MR. MacDONALD: I know they were giving serious consideration to it, but I will not argue the point.

What I am interested in is the tactics of a government that sort of "brushed them off" and would not even give serious consideration to their pleas until this kind of threat loomed on the scene.

The interesting thing is that this tactic in the last year has coincided in time with another great union drive in the city, mainly the efforts of a man in the trade union field whom the hon. Prime Minister knows very well, Mr. MacArthur, to organize the clerks in the banks.

Exactly the same kind of procedure was used by the banks as was used by the provincial government in trying to forestall this objective.

I have here a clipping from the *Globe and Mail* in the report on labour by James Senter of October 29th, and I would just like to read two paragraphs of it. This is an explanation of what the bank management's tactics were to forestall the organization of the unions.

THE CHAIRMAN: What has that to do with the estimates?

MR. MacDONALD: This is very intimately tied in.

Expected are attempts to form company unions, wage increases, as a form of buy-off and out-and-out terrorist tactics. Already, the union is informed, the Imperial Bank is planning an annual wage increase of 3 times the normal amount.

Bank of Nova Scotia employees, who normally receive an annual in-

crease in the spring, are expected to receive an additional "fall increase" shortly.

In other words, all of this was an effort to forestall what presumably is a legitimate procedure in this country—to organize workers into collective bargaining unions of their own choice. That is exactly the kind of thing the government did, too, because during the past year, faced with the growing demands that the wage levels for civil servants were at a highly inadequate level, the government moved to do something about it, and they announced revisions in salary schedules.

Just in passing I want to say, Mr. Chairman, sooner or later we have to face up to the fact that if our Department of Highways, our Department of Lands and Forests, and our Department of Public Welfare are going to be able to compete in fields where skilled personnel and trained personnel are scarce, they simply have to pay higher salaries to get adequate people to meet the needs of these departments.

MR. S. L. HALL (Halton): Mr. Chairman, is it permissible on these estimates for the hon. members to rise and make political speeches?

MR. MacDONALD: Is this a Sunday School party or a Legislature?

MR. HALL: It is not even a kindergarten when the hon. member is on his feet, so let the hon. member sit down.

MR. MacDONALD: The development in this House sometimes becomes just a little bizarre. Mr. Chairman, would you like to give a ruling on that?

THE CHAIRMAN: Is the hon. member speaking about the estimates?

MR. MacDONALD: Yes, I am speaking about the raise given to the civil servants in the past year, strangely enough coinciding with their proposal to affiliate with the Canadian Congress of Labour.

HON. MR. FROST: I want to speak most highly, Mr. Chairman, of the civil service association, both the provincial branch and the Toronto branch, with whom I have a good many dealings.

I would say that the reason for that raise, and the hon. member knows this, was the fact that the federal government last year adjusted their salaries. We found, in a number of classifications, we were behind the salaries they pay. Traditionally, in the civil service circles, we endeavour to be a little better than the federal government or any other comparable commission or salary range in Canada. That is why the revision took place last October 1st. It had nothing whatever to do with any difficulty in relationships with them at all.

It is a fact I did discuss this matter with the civil service association. I discussed it with them and told them about this taking effect on October 1st. I told them before any announcement was made, and I believe a statement was made in *The Trillium* about that.

After the adjustment was made there were a number of objections. There were certain quite proper objections to a number of the classifications.

At that time I asked the chairman of the civil service commission, and those in charge of this matter, to take up each specific case with the commission, so that there would be no inequalities. I hope they have been ironed out; if they have not, I am sure they will be.

I will say to the hon. member that, as regards salaries, I think we have adopted here the most realistic position of any service in Canada. I will not elaborate. I was going to say that the one-time Longhouse system was followed by the hon. members on the other side, who used to "scalp" civil servants. They used to discharge them, and have 12th of July parades and programmes, and all kinds of things. We have endeavoured to treat the civil service as a great service, and we believe it to be a better service all the time. Years ago, we adopted a system of annual increments and assessment.

I would say, generally speaking, we have made very great progress. When we came into office, the average civil service salary in Ontario was \$1,735 and that has progressively increased until in 1957 the average is approximately \$3,500. Back in 1947, it went up to \$2,090.

MR. MacDONALD: In all categories?

MR. NIXON: Is that the figure of these "cost" dollars the hon. Provincial Treasurer talks about?

HON. MR. FROST: I would say these are actual dollars.

MR. MacDONALD: Then that is \$1,700 or \$1,800, in standard dollars.

HON. MR. FROST: In 1952 the figure was, including the cost-of-living bonus, \$2,778. In 1956, 4 years later with a \$120 bonus included, it had gone up to \$3,024, and in 1957 it has risen by another \$300 up to \$3,500.

I do not believe there are any ulterior motives of any kind. It has been a question of the government endeavouring, and the civil service on its part endeavouring, to "get along", and try to make progress.

MR. MacDONALD: Mr. Chairman, the fact still remains that this was done 6 weeks in advance of a long-scheduled convention where this important issue was going to be decided. We will each have to draw our own conclusions.

HON. MR. FROST: The civil service were told about these changes, I think, in the month of July, and they published it in *The Trillium* at that time, and it came into effect on October 1st and it had nothing whatever to do with what the hon. member charges.

MR. MacDONALD: If the hon. Prime Minister will let me proceed, I wish now to read what the civil servants say themselves.

HON. MR. FROST: From whom?

MR. MacDONALD: Mr. Harold Bowen, president of the Ontario civil service association, in the January issue of *The Trillium*:

Assessment of the revised salary schedule, effective October 1, 1956, points up the fact that many employees in the service will receive little or nothing more than they have been receiving.

This applies particularly to the major departments. In the largest department, an analysis indicates that fewer than 400 of the employees will receive increases of \$200 or more. Almost 50 per cent. of the employees in that department will receive nothing, and a small percentage will receive reductions in take-home pay.

It is notable that the revisions, as small as in some cases they are, emphasize the very inferior position of the large class of employees known as casuals.

Remember, it is the president of the civil service association speaking.

It would be well to note that the total increase on October 1 in some larger departments represented an increase of two per cent., or less, to the department's payroll, indicating either that the revision is most inequitable, or that previous revisions were piecemeal, hurried and unrealistic.

From our contacts with other provinces, public service jurisdictions in municipalities, and in the United States, it is becoming increasingly obvious that Ontario is one of the last to relinquish the old system of classification.

Then it goes on to give comments on the kinds of classifications.

Any time this government wants to become proud and pat the civil service on the back, its members can go home and read this assessment of the salary increases that is given by the president of the civil service association.

HON. MR. FROST: The adjustment of last October was one which was brought about in order to bring our schedules into a position where they would be better than any other schedule in a comparable class in Canada. That was the purpose of it. I am quite aware of the things of which Mr. Bowen speaks. There are many things in his article which are correct. There were many employees who did not receive any increase.

However, let us remember that on April 1st they all come into their increment on a basis which is very much better than before that adjustment was made.

MR. MacDONALD: I let the case rest on the comment of the head of the civil service.

I want to deal with another issue. When I raised it last time, the hon. Prime Minister dismissed it and told me I was living in the past. The issue is the continuing practice of patronage in the civil service.

HON. MR. DUNBAR: What does the hon. member mean by "patronage?"

MR. MacDONALD: Again, I will just let the civil service speak for itself. I will tell the hon. Minister what I mean by patronage. There is no one man in this Legislature whom I respect more than I do the hon. member for Peel (Mr. Kennedy). But I was very much interested to have drawn to my attention a few days ago that, for example, in Peel county there was recently appointed a new sheriff and, by strange coincidence, he was president of the Conservative Association. A court registrar was appointed and, by strange coincidence, he was president of the Young Conservative Association.

HON. MR. FROST: What is wrong with that?

MR. MacDONALD: A police magistrate was appointed and, by strange coincidence, he was the campaign mana-

ger in the last election. What is wrong with it? Perhaps we will get around and take a look at it, and then I can say what I think is wrong with it.

If the government thinks there is nothing wrong with it, then it does not need to say there is no patronage. Are we to believe there is no person of any quality or stature in Peel except a member of the Conservative party?

HON. MR. FROST: I remember what Sir Wilfred Laurier said about it at one time. He said he did not like to make any difference between Liberals and Conservatives, but when it came to an appointment, he invariably found the Liberal was the best man. Surprisingly enough, I have sometimes felt that way. Not always.

HON. MR. DUNBAR: Well, Mr. Chairman, does the hon. member for York South think he is going to make any change in this? He is wasting his time.

MR. MacDONALD: It is a very good question. Now the hon. Provincial Secretary tells me I am wasting my time, and it is reiterated over here. In other words, we are having a blank, flat assertion by the government, not denying that there is patronage, but saying, "We are not going to do anything about it."

HON. MR. DUNBAR: Because there is no patronage.

MR. F. S. THOMAS: What about Saskatchewan?

MR. MacDONALD: Let us talk about Ontario, never mind Saskatchewan. Here is a quotation of a year ago from the official organ of the Ontario civil service association, the people who have to cope with this kind of situation. Do not tell me I am maligning the civil servants, or that I am misrepresenting the situation. This

is the civil service association's official organ:

Practiced extensively in government services in the past, patronage has in later years diminished or, at least, to a great extent, been driven underground. Nevertheless, it still exists. It continues to sap the efficiency of services affected, and so adds to the tax burdens of the citizens already hard pressed.

Very interesting comments coming from responsible civil servants.

Any government's policy, if it is aimed at an honest, efficient and economical service, must rest on a sound personnel programme, free of interference from outside sources. There can be no room for patronage.

The civil service association of Ontario knows from bitter experience that patronage—political and personal—is the greatest destroyer of initiative and efficiency encountered in public service. It has, therefore, consistently aimed at a service free of this vicious system.

AN HON. MEMBER: From what is he reading?

MR. MacDONALD: I am reading from an editorial on the civil service association. I would like to draw to the attention of the hon. Prime Minister that this is a quotation from a year ago.

HON. MR. DUNBAR: Who wrote that one?

MR. MacDONALD: This is an editorial from *The Trillium*, the official publication. It is unsigned, because the writer is speaking on behalf of all the civil servants.

HON. MR. DUNBAR: Is that the one who said I was their friend?

MR. MacDONALD: They said the hon. Provincial Secretary was their champion, for a fleeting hour.

HON. MR. DUNBAR: I was a good friend of theirs.

MR. MacDONALD: Mr. Chairman, if you will take a look at the August issue, some 6 months later, of *The Trillium*—a most interesting magazine to read—you will find this comment, in referring to the hon. Prime Minister:

The chief executive of Ontario has pointed out how desirable it is for all of us to have a goal and the opportunity to attain it. The lesser lights are not in agreement.

I should point out that earlier the hon. Prime Minister had claimed that every office boy should have the chance to be a Deputy Minister.

HON. MR. ROBERTS: As a matter of fact, Mr. Chairman, that is a very good point. The office boy in my department is the Deputy Minister.

MR. MacDONALD: That is right.

HON. W. M. NICKLE (Minister of Planning and Development): May I say a word to the hon. member for York South?

MR. MacDONALD: No, he may not.

HON. MR. NICKLE: The Deputy Minister in my department is the head of the Toronto civil service commission.

MR. MacDONALD: I have not conceded the floor, Mr. Chairman.

HON. MR. NICKLE: The hon. member does not want the truth.

MR. MacDONALD: I do not want to listen on some occasions.

MR. F. S. THOMAS: The hon. member does not believe in it, and he does not want to hear it.

MR. MacDONALD: The lesser lights are not in agreement with the

chief executive—. Now who exactly are the "lesser lights"? I presume they are other hon. cabinet Ministers.

—and are still bent on causing considerable embarrassment, and considerable harm, to the service by enforcing appointments of their political favourites over the heads of experienced, capable, and conscientious civil servants with long service.

Now who are they talking about? A government in which there is no patronage?

HON. MR. NICKLE: That is not true and the hon. member knows it.

MR. MacDONALD: Is the hon. Minister in effect saying that the editorial in this magazine is presenting lies? Is that what he is saying?

HON. MR. NICKLE: Yes, and I will just say this to the hon. member, listen to me if he wants the truth.

MR. MacDONALD: Is that what the hon. Minister is saying?

HON. MR. NICKLE: Does the hon. member want the truth? The Deputy Minister of my department, recently appointed, was the head of the Toronto civil service commission. I went to the civil service for a good man. I recognized the civil service. I asked nothing about the man's politics, I appointed a man of experience.

MR. MacDONALD: The concluding paragraph in this editorial states an interesting point:

There are many instances of disregard to Mr. Frost's wishes.

That is, on the part of the "lesser lights" in the cabinet, who make the appointments.

HON. W. GRIESINGER (Minister of Public Works): Does it say that?

MR. MacDONALD: They referred to the "lesser lights" before.

HON. MR. GRIESINGER: But does it say, "in the cabinet"?

MR. MacDONALD: The lesser lights are either in the cabinet or in the departments.

HON. MR. GRIESINGER: Yes, but it does not say the cabinet. Let the hon. member prove his statements and not make insinuations.

MR. MacDONALD: Let the hon. Minister sit down.

HON. MR. GRIESINGER: That is all the hon. member can do, tell lies.

HON. MR. DUNBAR: Mr. Chairman, how can we believe what this man is reading? He admits he is not reading from the paper.

MR. MacDONALD: What is the hon. Minister talking about? I am reading from the editorial.

HON. MR. DUNBAR: No, he said "in the cabinet."

MR. J. A. MALONEY (Renfrew South): Are the words "in the cabinet" in the article?

MR. MacDONALD: No.

MR. MALONEY: Then why did the hon. member repeat them?

MR. A. H. COWLING (High Park): He is reading between the lines, that is what it is.

MR. MacDONALD: "The lesser lights", if I may revert to the sentence that is now being disputed, "The lesser lights are not in agreement with the chief executive."

HON. MR. GRIESINGER: Who are "the lesser lights"?

MR. MacDONALD: I do not know, but they are people who are in responsible positions in the government because they are making the appointments.

MR. COWLING: How does the hon. member know; he does not know that they are.

MR. MacDONALD: They are making the appointments.

THE CHAIRMAN: Order.

MR. MacDONALD: Let me conclude this final paragraph:

There are many instances of disregard for Mr. Frost's wishes. It appears that his wishes will continue to be disregarded until those wishes are translated into specific orders written in plain and simple language over the signature of Leslie M. Frost, Prime Minister.

In other words, what we have here is the civil servants of the province of Ontario saying to the hon. Prime Minister, "You are the only man who can stop this cancer in the civil service body of this province, namely appointment on a patronage basis." That is their editorial of 4 months ago, and if the hon. Prime Minister thinks I am living in the past—

HON. MR. GRIESINGER: The hon. member is not even living.

MR. MacDONALD:—then all of the civil servants, all of their editorials, are living in the past too. I want to come down to the constructive approach to this thing, and what the answer to it is.

It has been suggested many times that if we are going to have a modern personnel management programme, the only way it can be done is to have a civil service commission in the province which has power, the power to make appointments; when there are positions open, they are advertised and appointments are made on the basis of merit.

And if hon. members think that once again I am misrepresenting the situation, I draw their attention to a study which is being made by a body that this government and some of its departments have used on many occasions, namely, the Citizens Research Institute of Canada, located at 32 Isabella Street, whose secretary and research director is Eric Hardy. They point out:

Sometimes the establishment of a civil service commission with appropriate responsibility over appointments, transfers and promotions has not at once served to free the service from the evils of political influence. A civil service commission may survive for a long time as nothing more than the screen behind which the spoilsman is left to continue his unsavoury activities.

And he points out that:

The system in Ontario is unique and merits particular comment.

Under the plan which exists in the province, no attempt has been made to establish a full-fledged system of competitive examinations. The civil service commission has undertaken to set standards for all positions, and it has encouraged the departments, with commission assistance, to develop their own selection processes, which may or may not be competitive.

Except for 7 categories of stenographers and typists, where testing is carried on by the civil service commission, any competitive standards which do exist have been developed on the initiative of the department.

I just want to point out the conclusion on this, Mr. Chairman, that if the hon. Prime Minister of this province wants to do what the civil servants are pleading that he do, that is, remove from the civil service set-up appointments by patronage, which result in inefficiency, which add taxes to the already high cost of public administration, the civil servants say the hon. Prime Minister is the only man who can do it.

There are many models of effective civil services which are established on the modern personnel management kind.

It rests with the hon. Prime Minister. The civil servants have asked him to act in very pointed terms, and we will look forward to seeing whether the hon. Prime Minister agrees with the hon. Provincial Secretary that nothing should be done about it.

HON. MR. FROST: Mr. Chairman, there are examinations in some classes, in welfare, in police, and in certain personnel classes, and a number of others.

MR. MacDONALD: I am aware of those.

HON. MR. FROST: I must admit that sometimes I am not too greatly impressed with the examination system. I am of course always open to conviction, but I do not think the examination system is the answer to everything, by any means. I would say that, by and large, the method which has been carried on has produced a pretty reasonable degree of satisfaction.

We have endeavoured to advance and promote the civil servants on the basis of experience, and in some cases, seniority. One cannot always call on seniority; that is quite impossible. I think it very desirable indeed to recognize seniority where it can be done, but it is a very unwise thing to be bound by that.

I must say there is merit, in some classifications, in written examinations, but one does run into some fantastic results.

To go outside of the civil service altogether, I have been interested in what the hon. Minister of Labour (Mr. Daley) told me in connection with examinations for stationary engineers—first, second, third and other classes. I understand that a move is being made to break down the various classifications so that those who are planning to specialize in steam engines will not try examinations in refrigeration. I think

that is being brought about this year; it may be before the labour committee at the present time.

However, I point out to the hon. member the absurdity of some of these examinations. I am not too sure that civil service examinations would not produce questionable results in a large number of cases.

I must say that I am most anxious to overcome the difficulties that one meets with some 22,000 civil servants, and another 1,500, I suppose, in the liquor control board who are, to all intents and purposes, civil servants, and in addition the provincial police and the casuals—probably meaning that we have between 25,000 and 30,000 people who may be rated as civil servants.

I know, and the hon. member knows, that with such a body as that, and with such diverse conditions, one is bound to run into difficulty. There is no rule, other than the rule of common sense, by which those things can be met. I have discussed those things on a number of occasions recently with the civil service association, and with Mr. Bowen and his committee. We have been trying to work out a 5-day week. That is a difficult problem to carry out, but I think we are making progress, and before too long the entire civil service will be on that basis.

I would say to the hon. member in connection with patronage, I can quite frankly say that in 20 years in this House I really have never appointed anybody, or recommended the appointment of anybody, on the basis of some political favour or anything of that sort. It has been very largely a question of getting the right person to do the job, and sometimes it is pretty difficult to do that.

My procedure, and the procedure of my colleagues, I imagine, is that if somebody wants a position, to send a civil service form to the person and have him return it to the office of the civil service commission.

With myself, people naturally send these applications to me, or they apply to

me for positions in one form or another, and I have no idea as to what their political leanings may be. I have no idea as to who their forebears are, or what their situation may be, or the religion they belong to. When I receive these requests, I send the applicants the regular civil service forms, and if the filled-in forms are returned to me, I send them on to the civil service commission and have no idea as to whether the applicants get jobs.

MR. MacDONALD: The hon. Prime Minister does not have to take my word for this. All I ask him to do is to take notice of what the civil servants are saying in their own publication. It seems to me that when a group of responsible civil servants are putting out a publication for all of their own members, if they were not disturbed about it and if it were not a problem they were facing every day, they would not be writing editorials about it, and putting these pointed pleas to the hon. Prime Minister. If the hon. Prime Minister does not know anything about the situation, I suggest it is something he should look into.

MR. F. THOMAS: Mr. Chairman, I think perhaps I am one of the few hon. members in the House who has been a civil servant. I was a civil servant for 23 years, starting as the hon. member for Brant mentioned a few days ago, in the days of the United Farmers of Ontario government when I was appointed as assistant agricultural representative in the county of Grey. Later, I went to northern Ontario to the riding of Port Arthur, where I was representative. Then I was transferred in 1927 to the county of Elgin.

I would inform the hon. member for York South of this: with all due respect to my appointment by the United Farmers of Ontario government, I served under it, the Ferguson government, the Hepburn government, the Drew government, and I resigned 13 years ago. I would like to tell the hon. member for York South that the maxi-

mum salary I received in 1944 was \$3,000 as an agricultural representative.

MR. MacDONALD: The hon. member was as underpaid as the school teachers.

MR. F. S. THOMAS: Yes, I know; that is why I quit; that is why I bought a farm.

MR. MacDONALD: That is why I am pleading for higher salaries now.

MR. F. S. THOMAS: I will show the hon. member the difference now; right now the agricultural representatives in Ontario have a maximum salary of \$7,200, and I helped them to get it when I was there.

I want to tell the hon. member for York South this, in addition:

We have an Ontario hospital in my riding which employs many people, and there is not one single individual in any branch of that hospital who objects to what the government is paying now—not one.

But most of all, I want to tell the hon. member that this government has done more for the civil service of Ontario than any government in the history of Ontario. What the hon. member has read and has stated may be in that magazine he called *The Trillium*, but the facts are that this government has carried on, has faced issues, has met the demands and requests of civil servants, it has paid more and made it better for people to go into the civil service, and outside of a very few people the hon. member cannot prove to me, or to anybody in the government, that we have not met their requests and that they are not satisfied.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, I would like to ask the hon. Prime Minister if he will explain his statement that, to all intents and purposes, the liquor control board employees are civil servants. Just what is it? Are they full-

time civil servants in every respect, or is there some differentiation as between those employees and other employees of the government?

HON. MR. DUNBAR: I represent the liquor control board in the cabinet; that is, in making any recommendations for appointments, for increases, for retirements, and I sign the recommendations, and take them to the cabinet.

MR. WINTERMEYER: Does the hon. Minister do that with respect to other civil servants? Is that the same procedure that is followed?

HON. MR. DUNBAR: From each department.

MR. WINTERMEYER: I suppose there is a contract of some sort signed between the liquor control board employees and the liquor control board?

HON. MR. FROST: Actually it is on the recommendation of the liquor control board, which is the employer.

MR. WINTERMEYER: Is there any contract between the employees of the liquor control board and the liquor control board that governs?

HON. MR. DUNBAR: If the liquor control board chairman was a cabinet Minister, it would not be necessary to bring in the orders-in-council. That is the only difference.

MR. WINTERMEYER: Is that the only difference?

HON. MR. DUNBAR: The only difference.

MR. WINTERMEYER: Will the hon. member for Beaches (Mr. Collings) answer this? Is there any contract between the employees of the liquor control board and the liquor control board itself?

MR. COLLINGS: They sign an application form similar to the civil service application. It is with the liquor control board.

MR. WINTERMEYER: Maybe the hon. member misunderstood me. Is there any contract governing the rules and regulations which will apply to the employees of the liquor control board?

MR. COLLINGS: I think the hon. member will have to be a little more specific in his question.

MR. WINTERMEYER: I understand there is a liquor control board association of some sort?

MR. COLLINGS: Yes.

MR. WINTERMEYER: That association represents the employees of the liquor control board?

MR. COLLINGS: Yes.

MR. WINTERMEYER: Does that association bargain with the board itself?

MR. COLLINGS: Yes.

MR. WINTERMEYER: Does that association sign a contract with the board?

MR. COLLINGS: Yes.

MR. WINTERMEYER: Do the other employees of the government do likewise?

HON. MR. DUNBAR: No.

MR. WINTERMEYER: The hon. member must not be disturbed about this; it is something I would like to know.

HON. MR. FROST: The civil service association, while they are not under The Labour Relations Act—and

there is no use going into all the details in connection with that—we regard the civil service association as the bargaining agent; we regard them as the persons with whom we deal, and it is their appointees who are on the various departmental councils.

MR. WINTERMEYER: Why would this government not extend that to the liquor control board employees?

HON. MR. FROST: Well, I suppose they came up a different way; one is a separate board, and they have had their own autonomy over these years.

MR. WINTERMEYER: Does the hon. Prime Minister think it would be wise to include them?

HON. MR. FROST: I suppose it is up to them. Actually, there is no difference.

MR. F. S. THOMAS: The members of the liquor control board have the right to belong to the civil service association of Ontario.

HON. MR. DUNBAR: And they do.

MR. F. S. THOMAS: A percentage of them do. However, as far as the association of the liquor control board and the liquor licence board is concerned, we have a membership of somewhere around 1,200 out of a possible 1,500. We have an agreement with the association: they are the bargaining agent of the liquor control board and the liquor licence board.

MR. MacDONALD: There is also this significant difference, Mr. Chairman. Last spring at some point, the hon. Prime Minister indicated that the civil service association was the bargaining unit, and they said they were very glad to hear that. They were going, in effect, to apply for certification and get the status of a bargaining unit.

The point I want to get at is this: suddenly, a few months later, this revision in salary schedules came up. I do not happen to have the clipping here, but the president of the civil service association protested that if they were the bargaining unit, it is a strange procedure to suddenly be faced with a *fait accompli* in salary revisions when they had no part in the decision. In other words, despite the fact that they were the bargaining unit, apparently they were handed a contract, cut and dried, with no opportunity for negotiation.

HON. MR. FROST: Actually, when I say a bargaining unit, I mean the factual bargaining unit. That is the way we have regarded them. In problems relating to the civil service, I very often discuss their problems with them, and regard them more or less as the official body.

Now, I point out to the hon. member that the civil service association is representative of very many classes in the civil service. The Labour Relations Act does not apply to the civil service, as the hon. member knows. But to all intents and purposes we have regarded the association as a bargaining unit, and we have treated it as such.

I do not know whether there should have been any misunderstanding about the October 1st change, but what happened was that I met with the civil service in July and told them we were going to adjust the salaries upwards as of October 1st, to bring them to the level that I have mentioned.

The chairman of the civil service commission and his staff went to work on it, and they procured the schedules, and we brought them into effect on October 1st.

It is true that we did not discuss the details of those with the civil service association, but remember, we were faced with the pressure of time in getting this done, and many changes and adjustments had to be made. I told the civil service afterwards that if they found there were cases of maladjust-

ment, if they would go over these matters, we would adjust them, and make them retroactive. To all intents and purposes, we did what the hon. member has mentioned.

MR. H. WORTON (Wellington South): I was interested earlier in the hon. Prime Minister's remarks in regard to what a former Liberal administration did with the civil service, and being representative of one of the largest districts of the civil service outside of Toronto, I feel that, when the time comes, if any government adopts that treatment again—especially the Liberal administration—I will not be part of it, because I do not think that is anything to be considered.

HON. MR. DUNBAR: We are going to strike a medal for the hon. member in the morning.

MR. WORTON: I think it is our intention to give the people of Ontario good government with the civil service we have. Regardless of what party we are a part of, I think it is the intention of all hon. members to give as fair a deal as possible to the civil service, because after all they are performing a service. We are not out to make a profit out of them, and I do feel that the brief they presented to the House or to the hon. members, as I mentioned yesterday, was very logical and that it can be taken care of without too much cost to the government.

I also would like to ask the hon. Provincial Secretary if there is going to be anything done, or if anything has been done, with former members of the civil service at the college who have retired. Some of the professors, and some of the widows, are living on a very small amount. Has there been any adjustment made to their past retirement allowances?

HON. MR. DUNBAR: It has not been brought to my attention. They have all been settled.

MR. WINTERMEYER: May I ask the hon. Provincial Secretary what, if any, benefit the civil service employees have by way of hospital care or medical care? Do they have any benefits in that respect.

HON. MR. DUNBAR: Nothing from the government.

MR. WORTON: May I refer the hon. Provincial Secretary back to my question. Have the allowances of the retirement plan, say, in 1950, ever been adjusted with regard to the old teachers at the college, or have they just been left at whatever they retired at? In other words, the teachers have been brought up to proportion, but has this been done with the civil service college?

HON. MR. DUNBAR: They come under a different fund, a retirement fund.

MR. WORTON: There has never been anything put to their fund to bring them up to it?

HON. MR. DUNBAR: No.

Vote 1,608 agreed to.

Hon Mr. Frost moves that the committee rise and report certain resolutions.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

MR. C. E. JANES: Mr. Speaker, the committee of supply reports certain resolutions and begs leave to sit again.

Motion agreed to; report adopted.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, first I want to move, seconded by Mr. Porter, the motion that I made this afternoon, in an informal way, that tomorrow, Wednesday, March 13th, and Thursday, March 14th, this House will meet at two o'clock in the afternoon, and that the provisions of rule No. 2

of the assembly be suspended so far as it might apply to this motion.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, tomorrow we will deal with the estimates of The Department of Labour, and any order that is on the government order paper. On Thursday, I propose to deal, as I see it now, with the estimates of The Department of Mines.

We will have a night session on Thursday night, and I will give the order of business in connection with that tomorrow.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, the hon. Prime Minister some time this afternoon said we might have a night session tomorrow night because of the dance on Thursday night.

Has the hon. Prime Minister changed his mind?

HON. MR. FROST: I might say it appeared that the night session for Thursday night would not work out satisfactorily, and we might have to move it on to tomorrow night. That will not be necessary. There will be no night session tomorrow, but we will have a night session on Thursday.

MR. R. WHICHER (Bruce): Mr. Speaker, I would like to have the assurance of the hon. Prime Minister that tomorrow the only estimates we will be taking will be those of The Department of Labour.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10.30 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, March 13, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Wednesday, March 13, 1957

First report, standing committee on agriculture, Mr. Root	1033
Assessment Act, bill to amend, Mr. Warrender, first reading	1033
Presenting report, Mr. Dunbar	1033
Estimates, Department of Labour, Mr. Daley	1034
Resumption of the debate on the speech from the Throne, Mr. Graham, Mr. Monaghan, Mr. Gordon	1063
Motion to adjourn debate, Mr. Maloney, agreed to	1073
City of Hamilton, bill respecting, Mr. Elliott, second reading	1073
Labour Relations Act, bill to amend, Mr. Daley, second reading	1073
Industrial Standards Act, bill to amend, Mr. Daley, second reading	1073
Department of Labour Act, bill to amend, Mr. Daley, second reading	1073
Factory, Shop and Office Building Act, bill to amend, Mr. Daley, referred back to labour committee	1073
Motion to adjourn, Mr. Frost, agreed to	1082

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

WEDNESDAY, MARCH 13, 1957

2.00 O'CLOCK P.M.

THE ASSESSMENT ACT

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. J. ROOT: Mr. Speaker, I beg leave to present the first report of the standing committee on agriculture and move its adoption.

CLERK OF THE HOUSE: Mr. Root presents the first report of the standing committee on agriculture, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 120, An Act to amend The Telephone Act, 1954.

Bill No. 121, An Act to amend The Dog Tax and Livestock Protection Act.

Bill No. 128, An Act to amend The Brucellosis Act, 1956.

Also to report the following bill with a certain amendment:

Bill No. 130, An Act to amend The Farm Products Marketing Act.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

Hon. W. K. Warrender moves first reading of bill intituled, "An Act to amend The Assessment Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, in the main, these amendments are for clarification in procedural matters. There is one which I should bring to the attention of the House, and that is the one concerning section 37A, which provides specifically for the taxing of pipe line used for transporting oil and gas.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

Report of the Workmen's Compensation Board of Ontario for the year 1956.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the House 4 groups of students from different schools. There is a group from Delta Secondary School, Hamilton; Ritson Public School of Oshawa; Port Perry Public School, Port Perry; and Ryerson Public School, Toronto. These people are present to view the proceedings and we welcome them.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT
OF LABOUR

HON. C. DALEY (Minister of Labour): In asking the committee to consider the estimates of The Department of Labour, Mr. Chairman, I do so against the backdrop of expanding industrialization in the province of Ontario.

There is another way, however, for us to consider our well-being, and it is to this that I, as Minister of Labour, wish to direct my attention. It is in terms of job opportunities for our people, in terms of their well-being, safety and health.

I have said on more than one occasion that the greatest asset of Ontario is its people. Out of them and out of their efforts arise all of the other things which may be considered as physical and productive assets. It is to their prosperity, happiness and well-being that the efforts of this Legislature are directed.

Part of the work of The Department of Labour arises from the need to provide supervision over the safety, health and training of people who work in our many and diverse industries and commercial enterprises.

Over the years, the various branches of The Department of Labour have continued to grow because of the ever-increasing demands which have been made on this department.

It would be idle to tell hon. members that we have been able to get along with the same number of employees, and under the same conditions, which prevailed 10 or 12 years ago because that is not the case. I think that during 12 years our staff has doubled in size. We have moved from the east block of the Parliament buildings to a new location in The Department of Labour building at 8 York Street. We have occupied these new premises for approximately 16 months.

The change to our new location has been of great assistance to us. I do not know which is the worse evil, to be short

of staff or to be short of space. It is obvious that if we are short of space, we cannot overcome lack of staff, if we cannot house them.

I can say for the department that we are very happy in our new quarters. We now have room to do our work with greater despatch, and to plan improvements in our methods and procedures of operation. We are now able to, and are in the process of, establishing better statistical information.

I am not complacent about the situation. We realize that as Ontario expands, the staff of The Department of Labour must expand also, and I foresee the day coming very close when we shall have to request the hon. Minister of Public Works (Mr. Griesinger) to add to our present quarters to take care of this expansion.

I want to put myself on record with my colleague that, while he has satisfied our immediate needs adequately, this condition will not persist beyond another year to 18 months.

I mentioned that employment opportunities are increasing, and I think the hon. members will agree with this statement: Every time a new industry is established in Ontario, it means there is more permanent employment being offered to our people. This is all to the good, and we should hasten to assist in every way possible the expansion of industry in this province.

There is one thing I should like to point out to all who are interested in increasing employment. It is that we may be putting a brake on the fullest development of our opportunities, because we do not have sufficient skilled or trained personnel to satisfy the needs of industry and commerce. I think that labour, management and government are not doing enough to overcome this problem.

With all due deference to the hon. Minister of Education (Mr. Dunlop) and my associates in government, I feel we have not concentrated sufficiently on the one form of education which must be the basis on which industrial develop-

ment must proceed, and it is the training of apprentices in skilled trades.

It is not enough to assure to this province and the country an ever-increasing number of engineers, doctors, scientists, lawyers, teachers, economists and other professional people. We must also have the carpenters, bricklayers, electricians, machinists, toolmakers and other skilled people, without whose services our industrial economy will falter and break down.

Apprenticeship is one of the important concerns of The Department of Labour. Almost 40 per cent. of the budget of the department will be spent on in-class training and the costs of administration of the apprenticeship branch. Of most of these costs, 50 per cent. will be recoverable from the federal government under an agreement between the two governments.

Notwithstanding the fact that a good job is being done by some employers to train apprentices, nevertheless the number of such employers is pitifully small against the total who could take part in such a programme.

There is no doubt that many employers and trade unions are watching the advent of automation with mixed emotions. That it will come and pervade our industrial life, we must accept. Even though it may mean a certain amount of dislocation in certain types of employment, yet it will create a demand for more and more skilled help to build and maintain the machines which are the tools of automation.

To me, it seems that a challenge has been thrown out to industry to train the people in the skills needed for us to keep a pre-eminent position as an industrial nation.

There is not one of us who would not consider business or industry improvident if it failed to carry fire insurance or other types of insurance against disaster on its enterprises. I think also that an industry will build up an adequate supply of machines and tools, to maintain a normal or accelerated rate of production.

In the main, however, business or industry has not learned to cope with the problem of having an adequate group of skilled people to meet its expanding needs. I think everyone will agree that there is only one way to ensure that we do have the right type of people available and that is by on-the-job training, or apprenticeship.

Some people may think we can solve the problem by immigration. As far as I am concerned, that is an extremely unsatisfactory solution. I have nothing against immigrants. In fact, I have spoken out on more than one occasion, indicating that I strongly support bringing good immigrants into Canada, and they are more than welcome if they are skilled mechanics.

I believe, however, that if there are better jobs available, it is our concern to see that Canadian youths are trained for such jobs. The skilled immigrant who comes here did not learn his trade from a correspondence course. He became an apprentice and he served his time at the trade. That is the only way that anyone can become a tradesman.

I appeal, therefore, to industry and labour to grapple with this problem, to find common ground upon which to stand in working out a solution. I feel sure that if this is done, everyone will reap great benefits from the effort.

It can be demonstrated that in certain trades, we could absorb into the working force right today all the mechanics we could train in the next few years.

Under The Apprenticeship Act, we deal largely with "designated" trades, most of which are in the construction industry, in which apprenticeship goes back to the dawn of history. It may interest the House to have a few figures on enrolments as they presently stand.

I have a great list of figures, Mr. Chairman, but I am going to "boil" it down and give just the number of active apprentices whom we are training as of today—which is 2,502 in the motor vehicle repair trade, and 2,889 in the construction trades.

I have mentioned the growth of industry in this province, and I can give hon. members a clear picture by referring to this statement which is factual. We no longer give the service free, and the revenue from this source this year is \$1,073,884.

I will refer now to the approval of plans. It is our responsibility to approve all plans for certain types of construction—construction in industry, and commercial building—and we are broadening that out somewhat through new legislation which has come into effect. However, these facts and figures are very interesting.

In the calendar year 1956, some 2,012 plans of industrial and commercial buildings, costing \$176,916,000, were approved by the factory and inspection branch. This value is nearly \$53 million more than in 1955, and is over \$27 million more than in 1952, the previous peak year.

For the first 11 months of the fiscal year, the value of approved factories, shops and office buildings amounted to \$170 million. I am just going to use round figures. In 1955 and 1956, it was \$109 million. Fees collected for plans approved, in 1955, amounted to \$112,000; in 1956-1957, to \$173,000. I am sure that would be of interest to the hon. Provincial Treasurer (Mr. Porter).

There were 1,658 plans approved in 1955-1956, and 1,839 in 1956-1957. Thus, the current fiscal year shows 156 per cent. of the value shown in the previous fiscal year for approved factories, shops and office buildings.

It is interesting to note, and I am not going to read all of it, that in 1940 the value of projects was \$24 million, and increased steadily to 1943 when it was \$24,752,000. In 1944, it had quite a considerable drop to \$14 million. Then it started up again and it got up in 1952 to \$149 million; 1954, \$120 million, and in 1956, \$176 million. That is certainly a continued and steady growth of our industries.

This is something which is very informative, because it is reasonably new,

and I would like to inform the House about it. It is in regard to the elevator inspection branch and reads as follows:

"Prior to the enactment of The Elevators and Lifts Act during the sitting of the Legislature in 1953, The Municipal Act permitted municipalities to pass by-laws covering the inspection and licencing of elevators in their municipalities. Only 3 municipalities passed such by-laws and put them into effect. They were Toronto, Forest Hill village and Kitchener.

"When The Elevators and Lifts Act was passed in 1953, the by-laws in Forest Hill village and Kitchener were repealed, but the city of Toronto was permitted to continue under its existing by-law.

"The setting up of a new branch to administer The Elevators and Lifts Act involved a considerable amount of time in the drafting of regulations, setting up forms for inspections, licences, renewal of licences, application forms for registration of contractors, application forms for certificates of competency, and certificates of competency, forms for submission of drawings and numerous other forms necessary for administration purposes.

"Since it was evident that existing elevators and lifts vary considerably in their design and construction, it was necessary to draft rules respecting the existing installations in order to bring them up to a reasonable standard of safety, without creating too great a hardship for the owners of such equipment.

"Due to vertical transportation equipment being highly technical, it was deemed necessary to employ experienced persons as inspectors. Each elevator inspector came from the trade, and each one had more than 7 years of practical experience in the construction, maintenance, servicing and testing of elevators, dumb-waiters, escalators, incline lifts and manlifts.

"The present staff consists of the chief inspector, an assistant to the chief inspector, 8 inspectors, and one professional engineer.

"The first group of inspectors commenced their duties on November 16, 1953, and after a 6-weeks' training period in the methods and procedures they would have to follow during inspections, they commenced carrying out inspections under section 58 of The Factory, Shop and Office Building Act.

"Inspections were carried out under the latter Act until The Elevators and Lifts Act and the regulations were proclaimed on June 17, 1954.

"The elevator inspection branch went into operation officially on the date of the proclamation of the Act and the regulations, and since that date it has been responsible for bringing about a higher standard of safety in the interests of persons using these installations, also bringing about a higher standard of workmanship in the construction, maintenance and servicing of elevators and lifts within their jurisdiction.

"During the calendar year of 1956, the elevators inspection branch carried out a total of 5,031 inspections; more than 2,700 being annual inspections and 374 being inspections of new installations and major alterations carried out on existing installations. The remainder were special inspections.

"As a result of these inspections, a total of 17,658 directives were issued to correct the unsafe conditions found during the inspections.

"During this year, the inspectors ordered 219 installations removed from service because of their unsafe condition or non-compliance with the Act by the owners.

"The Elevators and Lifts Act provides for representatives of insurance companies to carry out inspections of those installations on which public liability insurance is carried, but the insurance representative must hold a certificate of competency in order to carry out inspections under the Act.

"Certificates of competency were issued to 75 representatives of insurance companies and 10 certificates to inspectors of the elevator inspection branch.

"The elevator inspection branch issued 7,385 licences during the calendar year 1956. Due to changes in company names or change in ownership, 125 licences were transferred. There were 10 duplicates of lost licences issued.

"The engineer of this branch examined and approved 500 drawings and specifications during the year 1956; 432 being for new installations and 68 for major alterations to existing installations.

"The submission of drawings for approval gives this branch an opportunity to insist on the required safety features being built into the installations. Upon completion of the new installation or major alterations, the contractor must have it inspected by an elevator inspector before allowing it to be put into service. This is to ensure that the installation conforms to the approved drawings and specifications.

"There were 70 contractors registered with the elevator inspection branch during 1956. The registrations of 3 were suspended for failure to comply with the Act and the regulations. One of these registrations was reinstated after the department had been assured that the requirements under the Act and the regulations would be complied with.

"During 1956, a total of 405 accidents were reported to the chief inspector. Some 396 persons were involved in accidents on escalators. The injuries sustained were of a minor nature and a large percentage of these people were not injured at all.

"There were 14 people injured on freight elevators, one being a female. One female was injured by a dumb-waiter and one male was injured on an incline lift. There were 9 accidents caused by equipment failure, 8 of these being on freight elevators and one on a dumb-waiter.

"In connection with the accidents on escalators, it is noted that the majority occurred between 9.30 a.m. and 4.30 p.m. and the majority of the people

were over 65 years of age. There were a few children injured while playing on escalators.

"The elevator inspection branch is very pleased to report that there were no fatalities during the calendar year 1956 on installations within their jurisdiction. In the past, there had been an average of 5 people killed each year.

"There was a total of 19 convictions under The Elevators and Lifts Act, 2 being contractors who failed to comply with the Act and the regulations, and the remainder were owners who failed to comply."

The hon. member for Waterloo North (Mr. Wintermeyer) said yesterday that if he did not do anything else during his term of office here, he would have felt he made a contribution.

I think I can say the same thing, because back in 1945, I introduced The Hours of Work and Vacations with Pay Act. This was then the vacation stamp system which was to take care of workers who were not permanently employed, such as in the construction and many other industries.

In 1945-1946, the value of the stamps sold was \$590,345. In 1956-1957, we have sold \$10,371,148. Therefore, that has brought holidays with pay—or pay for holidays—to a great many thousands of people.

However, there is one thing which is giving me a little concern and that is the administration of this Act. As the hon. members are probably aware, we sell books in which the stamps are to be placed. A year ago, we had the unfortunate condition arise where some very clever people were able, in some manner or means, to recover books that had been, as we thought, cancelled, punched through the punch press.

But the press did not cancel them all because of the placing of stamps in different locations, and every stamp was not punched out. The books were sent away to be destroyed, but some people got the idea, and I guess by then it proved to be a very good one, that they

could recover these books, buy new books, and place the stamps in them. They had a very ingenious method of repairing the damaged stamps, and got away with quite a few thousands of dollars.

When an item like this gets up to \$10,371,000, it is quite substantial. This does not include all those large industries which have a regular system of holidays, where they close the plant for two weeks or a week, or whatever is their programme. This includes just the construction workers and those who are temporarily employed.

I am giving some consideration to the question of whether it would not be wise, now that this system has been established, to put this right back on a cash basis, so that the employee would pay his own employee in cash, and to do away with this stamp system.

Employers know that they must give at least one week's holidays with pay, and industry, by negotiations with their organizations, have been able to increase that in a great many cases to two weeks. If it were put on a cash basis, the ways and means of defeating it, in my mind, would be too difficult. Besides, the present system is very costly. We have to pay the banks for cashing these stamps, and we have to have a great staff administering it.

In the period when these stamp books are being cashed, where they come into the value of \$10 million, it requires an increase of staff, and under the terms of the auditor, we have to examine every book. We have to employ a great many persons to just do that.

We have now adopted a system of shredding the books right up, so there is no possible chance of a condition arising which did last year. However, there are still ways and means where there could be some clever people take advantage of this, and probably get away with a great amount of money before we would even realize that they had.

I am just throwing that out for consideration. I know that organized labour is probably very well satisfied with the

way it is being handled at the present time, and I am not sure what their reaction would be. I am therefore making the statement that I am considering the possibility of eliminating these stamps and putting the system right back to where the employer would pay cash, and we would have persons on our staff to supervise, so that if anyone claims he has not been paid, then we could investigate the matter.

There is one other thing which I thought might be of interest to the hon. members, because it certainly was to me. We operate, as the hon. members know, the various Acts which have to do with eliminating discrimination.

I received this letter from Sid Blum, executive secretary of the joint labour committee for human rights, concerning some criticism at different times that the Act is not being administered fairly and that there still is a great deal of discrimination. We have always disagreed with such criticism. This letter is a report of the joint labour committee for human rights to the Toronto and district labour council:

The committee is pleased to report that the federal and provincial departments of labour are efficiently and effectively handling complaints of violations under the anti-discrimination laws of Ontario and Canada. In recent months, many satisfactory settlements have been obtained which have resulted in the elimination of discriminatory questions on job application forms or other discriminatory practices in regard to employment.

Another question with which we deal, and about which we have had a great deal of discussion over the years, is with regard to grain elevators. The hon. members will recall that we did, some years ago, have some very disastrous accidents in grain elevators. At that time we set up meetings with operators of these elevators; we went to the Head of the Lakes; we met them at various times, and arrived at what we thought was a pretty good solution and answer

to the machinery and the mechanical devices which operate on these elevators.

We had spent millions of dollars on these elevators, improving and making mechanical changes, improving the electrical equipment, and everything else which might cause an explosion. That did not seem to be the complete answer because there was another explosion. We have pressed, and we now have, an agreement between the operators and elevator workers as to the complete removal of dust. Dust disposal has always been the difficulty in these big elevators. The dust is highly explosive, and if a spark or something happens at the proper time, under the proper concentration of dust, there is an explosion.

We now have an agreement, and I am very pleased to say that these agreements have not been dictatorially brought about. They have been brought about by consultation with the people who operate the elevators, and who have indicated they are as desirous as we are that there shall be no unnecessary hazard in these elevators. I think that is a great achievement.

Today I have tabled the report of the workmen's compensation board. I know in committee this morning some of the hon. members met with the chairman of the workmen's compensation board, and I have been advised he gave a satisfactory and informative talk to them which they appreciated. I would like to give hon. members just a few of the highlights of the workmen's compensation report:

The trend in industrial accidents in Ontario is toward a decrease in the extent in which injured workmen are being permanently disabled despite the increase in the number of man hours of exposure. In the report to the Legislative Assembly, it will be found that other trends show marked expansion in all phases of workmen's compensation administration.

In 1955, the workmen's compensation board paid out \$34,335,714 in benefits to injured workmen. In 1956, the

amount was increased to \$39,419,000; and an estimated \$50 million will be required in 1957.

That is a tremendous amount of money. That money comes entirely from industry.

Payroll, upon which assessments for 1956 were based, showed an increase to \$3,737 million compared to \$3,270 million for 1955. Cost for medical aid to Ontario's workmen in 1956 increased to \$10,421,000 as against \$9,445,000 for 1955.

So hon. members will see there is an increase, but it is largely due to the greatly increased number of persons employed in industry today. In 1956, some 65,000 employers, representing an estimated 1,500,000 employees, received coverage under the Act. With the extension of coverage to include retailers of goods, it is expected in 1957 some 120,000 employers with 1,750,000 employees will be protected.

Completion of the new hospital and rehabilitation centre is scheduled for 1957. I am referring to the new clinic that will replace Malton. It is under construction at the present time, and will represent the most advanced physical-medical facilities and treatment knowledge available anywhere. The trend is toward the encouragement to develop locally physical - medical treatment centres and this is evident at the new centre, with an accommodation for 500 patients.

In 1955, the board processed and mailed 620,580 cheques. Cheques mailed in 1956 totalled \$660,337. Increased volume of paper work has resulted in the trend toward more extensive use of electronic aids.

In regards to co-operation and team work between employers, disabled workmen, and representatives of the medical profession, I wish to say that this seems to be another permanent trend. We have had wonderful co-operation from the medical profession. It is resulting in more extensive placement of disabled workmen, who have been rehabilitated, to useful productive lives in industry.

It is indicated throughout the report that unprecedented industrial expansion is being experienced in our province. Most significant is the lessening of permanent disability to injured workmen. This is a tribute to all who become involved when a workman is injured.

I have further statistics on the new centre. It is a contract which called for \$6 million. It will provide one of the most modern and complete methods of treating disabled workmen, and I am sure it will, as did our clinic at Malton, lead in that field of endeavour, and we are confident that our new clinic will retain that position.

The Labour Relations Act comes under close scrutiny and criticism, because it deals with human beings—their welfare, conditions of employment, and so on. Therefore, such scrutiny is to be expected. Constructive criticism is certainly welcome, for it is in that way that we become informed of weaknesses.

But I like criticism to be constructive and fair, and not the kind of criticism which we read from time to time in some of the editorial columns, particularly the editorial on Tuesday, March 12, 1957, which, in my opinion, is sheer "bunk."

MR. D. C. MacDONALD (York South): Where? What newspaper was that?

HON. MR. DALEY: The Toronto *Globe and Mail*. This writer, evidently, sits in his tower, criticizes without any basis of facts before him, and behind the power of the press he can make statements that cannot be substantiated, such as his reference to "incessant cries" by both labour and management that The Labour Act is not doing the job it is intended to do.

That is not, by any stretch of the imagination, correct. In my opinion, the writer is "in a fog." He cannot see over the horizon of his own little office, because if he looked out of his own little window he would see this great indus-

trial province growing in leaps and bounds. He would see, out of his own window, thousands of happy workers working in mutual agreement with their employers in union organizations, with mutual understanding.

All over this province this goes on, and very many industrial disputes are settled without fanfare or publicity. This is done through certification, conciliation, and arbitration. Because of these things, strikes have been eliminated in many ways. Strikes for union recognition are no longer a factor. Workers can belong to the union of their choice without fear of discrimination.

I am not naive enough to think that we will ever reach a perfect position in this field. I do not think it is within the ability of man to conceive something that would be completely satisfactory to all parties. And, I doubt if it would be advisable that we should reach a static position because it is with trial, error and effort that we expand and grow, improving our conditions and our standard of living.

Under this Act, unions have grown and prospered, industry has grown and prospered, and a great many new industries have come to our province because of the soundness of our Labour Relations Act.

I see a smile on the face of the hon. member for York South —

MR. MacDONALD: The smile has nothing to do with what the hon. Minister is saying. I was smiling about a comment which was made to me. It has no reference to what the hon. Minister was saying.

HON. MR. DALEY: I apologize.

MR. MacDONALD: I am sorry; I was not even listening. I do not know if I was in agreement at that point.

HON. MR. DALEY: Because of the soundness of our labour laws — and do not think industrialists, when they are

establishing in a province, or in a country, do not make very thorough examinations. Anyone who has ever had anything to do with it, whether it is in municipal government or anywhere else, knows that they inquire into everything, including availability of labour and the labour laws.

We have a great many industrialists call here, and they are satisfied that the labour laws are sound, and that it is possible to work and to do business here.

Certainly we have, from time to time, amended the Act to meet new problems, and new problems in this field are constantly arising. We will continue, as we are doing this year—as difficulties arise—to amend the Act as other Acts are amended.

If it were not for amendments of Acts in this House, we could finish it up in about two days. So I do not think it is due to any weakness, on the part of The Labour Relations Act, that new problems arise with new people and new industries.

I am prepared to at all times, and do at all times, consult with my people, whom I consider to be among the outstanding people in the labour field. Professor Finkelman, Mr. Fine and Mr. Metzler, and the chiefs of the various branches, are very competent people to deal with these problems, and realize when a difficulty arises that something must be done to correct it.

I am not averse to having a select committee set up to explore and examine into the entire field of labour relations. That would not annoy me a bit, because if there is a better way of handling a situation, I would like to find out. But I certainly will not be stampeded by any hon. member in this House, or by the writers of the editorials, into destroying something which has stood the test of time and brought to this province almost industrial peace.

As long as I am the Minister of Labour, the Act will be administered in a progressive, conservative manner, and not in a socialist manner.

MR. T. D. THOMAS (Oshawa): We can go for "progressive", but the hon. Minister should leave the rest off of it.

HON. MR. DALEY: Under our system, and the policy which the government has in this matter, as in all other matters, whether it be health, welfare, hospitalization or anything else, progressive conservatism means equality for all.

MR. MacDONALD: Is this the banquet speech for the federal election?

HON. MR. DALEY: I cannot hear the hon. member.

AN HON. MEMBER: It is not important.

HON. MR. DALEY: Conciliation is always difficult, and, naturally, it is criticized sometimes because of what appears to be excessive delay. However, there are usually reasons for these delays, and we are at all times endeavouring to shorten the time, but we cannot put a time limit on when men will be able to arrive at a decision. Were there a time limit, there would be 20 times as many strikes taking place in this province as there are now.

I saw criticism somewhere that my people were not persistent enough, that they did not stick at it long enough, and quit too easily. That is not so. We have 13 very experienced conciliation officers who, by the way, lend every effort to bring about satisfactory settlement. I have hundreds of letters which, from time to time, have come in from industry and from the unions, complimenting these men for the effort they have put forward.

I do not take part in too many of these matters personally, but, as I am sure hon. members are aware, I have sat all night—until 8 o'clock in the morning in one particular instance—with my people, and finally secured an agreement.

While we were discussing this the other day, a letter from the union was

received by the conciliation officer who had set up the meeting, requesting that the meeting be postponed for a month, as it would be impossible for the union's representative to be present.

That is just one of the reasons why there are delays. Industry does the same thing. I am not trying to lay this on organized labour. They are no worse, but I do not think they are any better, when one actually investigates the reasons for delays in this field of conciliation.

I have here a letter — I am not going to read it all — but it has to do with the Canadian General Electric Company. They were in negotiation with their people. They had negotiated themselves for two months. They could not reach an agreement. They applied for conciliation.

The dispute concerned the renewal of a master agreement, involving over 5,000 employees in 7 of the company's plants in Toronto and other centres in southern Ontario.

This was not a last-minute settlement. There was not a strike hanging over their heads. But a settlement was brought about in the first stages of conciliation without the benefit of a conciliation board, without special pressure, and without an approaching strike deadline.

Furthermore—and this is very important—the payment effected was not just for one year, but for a minimum of 3 years and with a possibility of 5.

The long, hard, bargaining sessions with the conciliation officer had not only helped to avoid a costly strike, but it had reduced to a mere minimum the chance of a strike for several years in the future, and brought promise of a long period of industrial peace.

That whole period took over 4 months. If there had been a deadline on the time conciliation had to be advanced and completed, they would certainly not have been able to effect that agreement, and some 5,000 men would possibly have been on strike — I do not

know. So there is the defence for not having a time limit in conciliation.

I am not saying that some method might not be devised whereby the time could be shortened, but I do say that under the circumstances, the system does work. It has the effect of keeping the men at work while the negotiations are proceeding, and eliminates lost time and production. It does not eliminate the possibility of a strike—but it does lessen it to a great degree.

I had some other matters I wanted to discuss, but I seem to have lost them in the folder. I just want to say that, in presenting the estimates of The Department of Labour I want to assure the House that these estimates have been very carefully considered, and are required for the job that we have to do in this department. They have been processed and approved by the treasury, and I ask that authority will be granted for us to proceed.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Chairman, the story unfolded by the hon. Minister of Labour this afternoon is an indication of the continued growth of this province as an industrial giant. It is only a generation or so since Ontario was predominantly a farming province, so to speak, but it is for all to see at the present time that industry is not only here to stay, but is here in a measure that makes this province the greatest industrial area certainly in Canada and perhaps in some other countries as well.

The progress of industrial strength continues in Ontario, and we would be pessimistic indeed if we could not foresee that the next 20 years in this province will continue to add to the industrial strength of the province of Ontario.

However, this gathering industrial strength brings with it a number of problems. The hon. Minister of Labour is unquestionably aware of many of them.

Expanding industry brings with it the need for good labour-managerial

relationships, and it seems to me that hon. members of this House should bend all the efforts we possess towards making sure that we have, in Ontario, the best labour - managerial relationships that it is possible to obtain.

This gathering industrial strength means, too, that we must necessarily amend The Labour Relations Act from time to time—constructively of course—because to amend it in any other manner would not serve the purpose in mind. We want to establish this province as the one area that has the best labour legislation in the world, not only by the say-so of the administration, but in fact.

If we are going to have the best labour legislation in the world, it follows that there must be, from year to year, amendments to the Act which will bring it into conformity with present-day needs and practices.

I listened to the hon. Minister very carefully when he said that he was not averse to having a select committee set up to examine The Labour Relations Act. I was very glad to hear the hon. Minister say that, for a number of reasons.

We have had, in the name of the hon. member for Essex North (Mr. Reaume), a resolution on the order paper, now for the second year, which asks for the calling of the labour committee of the Legislature, the standing committee on labour, and that the opportunity would there be presented to have labour and management present their case for whatever amendments they feel were necessary to The Labour Relations Act.

Last year, the labour committee was not called at all; this year it was called on a Monday morning towards the last of a session when it was clear to everyone that there would be neither the opportunity nor the time to assess fully the labour picture, and to make up our minds as to what were proper amendments to make to The Labour Relations Act.

Certainly the only solution to the present dilemma, as I see it, is to do what the hon. Minister of Labour suggests that he is willing to do, and that is to appoint a select committee of the Legislature.

I am quite aware that I can place, even yet, a resolution on the order paper calling for the setting up of a select committee, but I do not choose to do that because of the statement of the hon. Minister.

The hon. Minister is a responsible hon. Minister of the Crown, and has said to the House this afternoon that he is willing — almost anxious, one might say—that a committee be set up. Therefore I am willing to rest our case on the hon. Minister's statement, and on what I believe is his desire to set up a committee. I feel that the introduction of a resolution on our part at this time would not add to the possibility of that committee being set up.

However, I do not want to sit down without urging upon the hon. Minister not only to have a desire to set up the committee, but to have a zeal to see that it is done.

I say that in this province at the present time there is a great need for a full and thorough examination of The Labour Relations Act, and all related Acts. For, out of that full examination can, and I believe will, come amendments to the Act that will bring it up to date to conform with the present-day needs and practices.

I am sure all hon. members of the House have read the report of the Ontario federation of labour. They set up a committee to examine into, and report upon, changes that might be necessary in labour legislation.

I say quite frankly to the House that I was impressed by that report, impressed first by the general knowledge contained therein, and the general recommendations that were set out. I was particularly impressed by the number of specific recommendations that the Ontario federation of labour makes regard-

ing amendments to The Labour Relations Act.

I do not know that any open forum in this Legislature could decide very well the intents of these particular amendments; I doubt if in the across-the-floor debate there would emanate that clarity of opinion that would justify us in making amendments to the Act, and in saying to ourselves that these amendments are just, and are the ones that should be made.

These amendments and others which the Ontario federation of labour and other bodies may make to the committee will have a much better chance of a full examination. When the committee is through with the examination relative to each point, and make their decisions upon them, I believe these decisions will be better than ones we could make in this Legislature with the time at our disposal and with the great number of hon. members who are privileged, as they properly should be, to take part in the debate.

Therefore, Mr. Chairman, without going into matters that the hon. Minister has brought up, because some of my colleagues will deal with them later on, I would say first of all that we in the Liberal party stand for the best labour-management relationship that can be made to exist in this province. We are determined, as far as we are able, to contribute to that end, and feel that that end can be achieved best by calling a special legislative committee, and letting appear before that committee all the facts relating to labour legislation and the presentations that might be made by labour on one hand, and management on the other.

It would seem to me that a great many years have passed since a thorough overhauling has taken place of The Labour Relations Act, and having in mind the growing industrial strength of this province, I do not think it is unfair to ask that we once again sit down and determine for a few years ahead what amendments should be made to the Act.

The hon. Minister of Labour said a few moments ago that we of course make amendments to the Act from time to time, that all Acts are amended, and with that I of course agree.

But in a matter so important as this, it seems to me that we are not doing our full duty by making casual amendments to The Labour Relations Act. It seems to me that there should be a full and thorough examination of the Act, and that the focus on labour, management and interested persons should be brought to bear upon the Act itself, and that out of it should come not casual amendments, but a thorough overhauling of the Act, in order that it might meet more adequately the needs of the people of this province in this great industrial era in which we are now living.

HON. L. M. FROST (Prime Minister): Mr. Chairman, in regard to the hon. Leader of the Opposition's suggestion that a committee be formed; that matter is already receiving consideration, and I will certainly advise the House shortly concerning our decision.

The hon. Minister of Labour is quite correct in his statement that this Act has very often received consideration of the hon. members who are closely connected with its administration. Last year, as in previous years, on several occasions the hon. Minister and his advisors, and the cabinet committee concerned, sat together in the consideration of this problem.

I was very much interested the other day in the submission made to us by the Ontario federation of labour. I have their brief here, and I have had the opportunity of reading it before their presentation and also had the opportunity of discussing the whole problem with them at the time, in company with the hon. Minister and his advisors.

I want to say how highly I personally rate some of the hon. Minister's advisors. Sometimes it is risky to mention names, but I will mention such persons as his Deputy Minister, Mr. Metzler; the chief conciliation officer, Mr. Fine;

and Dr. Finkelman, whom I think is perhaps one of the most expert men on labour relations, not only in Canada, but in America.

I was very interested in this report which in itself, I think, has very many things we must consider. There are various pros and cons. In some places, it quite clearly states, or quite generally states, the problem to be met, and gives the possible and alternative solutions.

I would say this statement is not dogmatic in its drafting. I complimented the committee on the fact that I thought this was a very objective and reasonable effort, and I so express that point of view here today.

On one point, and I am unable to lay my finger on it at the moment, but this committee, representative of the Ontario federation of labour, recommended a consideration which would be quite reasonable, I think, arising from the fact that their report did not produce the answers to certain problems, and I do not suppose it could produce the answers.

The report refers to the consideration by the committee of the House which is now, I think, in the course of its sittings. I understand there is another sitting on Monday, but this report stated that they did not think that probably that committee could give proper consideration—the consideration it deserved—to the whole problem.

The hon. Minister suggested that a select committee of this House be set up. That matter was raised in the committee on labour the other day. I was sorry I was unable to be present, having to be out of town, although I had planned to be there. But I understand that the hon. Minister of Labour expressed his agreement with that point of view.

I would say to the hon. Minister, and to the hon. members of the House, that I shall give consideration to that point from a government level in the next few days, and advise them on it.

MR. R. GISBORN (Wentworth East): Mr. Chairman, as one who has

worked in industry all his life, and has been a member of a trade union—one of the largest unions in Canada—for some 15 years, I would like to make a few remarks.

The fact that the committee on labour met on Monday, and the attitude of the committee, has certainly changed the stand I would have taken today. I am certainly agreeable to let some of those things rest with the committee, and I am sure they will be able to do the job.

I am sure that the hon. leader of the Liberal party and his hon. members are sincerely interested in the labour problems of this province, but I was rather disappointed that on Monday, out of the 5 delegates which they were allowed, only one was there.

MR. OLIVER: Mr. Chairman, may I say this to the hon. member on that point. I think perhaps the hon. member was in the House when I raised that particular matter. It is extremely difficult for some of our hon. members to get in for a Monday morning meeting, but so far as I was personally concerned, I was ready and desirous of going to the meeting. However, some other matters intervened. It certainly was not because of lack of interest in labour matters that we were not present.

MR. GISBORN: Now that the hon. Leader of the Opposition has brought that to my attention, I certainly accept that reason for his not being there.

Mr. Chairman, in the remarks of the hon. Minister of Labour, he made a great point of this to the hon. leader of the CCF, in that he could look out his window and see the great expansion across this province, and the great labour relations which exist in some of the large industries.

HON. MR. DALEY: I beg the hon. member's pardon?

MR. GISBORN: The hon. Minister was not referring to the hon. member looking out the window?

HON. MR. DALEY: No. However, that is the truth.

MR. GISBORN: If I were to go back to *Hansard*, I think there would be something in it. Nevertheless, I think we can all agree there has been great industrial expansion, and has been in the past couple of years a very good record on the labour front.

But I want to advise the House that we must recognize that these large industrial unions, which are now having good relations with their employers, did not get these relations the easy way. They had to live under this Act from the time it was brought in, in 1951. Before we had the Act, they had great struggles to bring about the type of relations which we now have.

I joined a particular union in 1942, and I know of the struggles we had until we were certified. I know the employees of our own particular plant, and others in the city of Hamilton, and other parts of the province, have spent time on the picket line to establish recognition.

The fight, however, should not have been over recognition, but should have been over the problems at stake. I just wanted to bring that to the attention of the hon. members of the House.

I am not going to deal with The Labour Relations Act itself, but there is one part of it to which I would like to refer, and that is The Fair Employment Practices Act.

I want to echo my sentiments to those of the letter received by the hon. Minister, from the human rights committee. I believe the labour and the social groups who are interested in anti-discrimination agree that there has been a great improvement in the attitude of The Department of Labour in their promptness in dealing with complaints in the past year.

We were quite concerned because of the reluctance of the department in 1951, when the Act was brought in, at the delay and that sort of thing—but we do agree and recognize that there has

been great improvement, and it has been to the betterment of the entire province.

I do think there are a couple of points which should be realized in regard to The Fair Employment Practices Act.

Just after the Act was brought into being, we felt there was reluctance on the part of the government to implement the Act. The government always felt it was not legislation which was going to do the job in regard to discrimination, but that it was "education." They felt that an educational job had to be done, and legislation would not give us the atmosphere which was necessary to do away with discrimination. I agree with that, and say we should have a basic programme of education.

All the government does in regard to The Fair Employment Practices Act is to issue the booklet of regulations to management groups, labour groups, and some other groups, without trying to do anything to broaden the educational front.

I think we should have a basic educational programme to permit an understanding and to give out the information in regard to the Act. It can be done in booklets and pamphlets; on radio and television. All sorts of media could be used to get it across to people who do not understand our way of life.

It do not think it is enough to say that we have little discrimination or that we have no discrimination. I feel we have to make these people a part of our society by getting across to them what goes on in our industrial fields.

We should give the federal government credit in what they have done in regard to its Fair Employment Practices Act. It does put on an educational programme. It does send out pamphlets and leaflets quite often. It has radio and television programmes which are quite lengthy, and I am sure we could do the same if we are going to extend our progress in the anti-discrimination field. If we are going to do this job, we should do it properly.

We should have a separate branch to handle The Fair Employment Practices Act, and we should have one full-time officer handling it, and handling the educational programme which goes with it.

With reference to the Act, the government should give some consideration to the provision of the penalties for non-compliance with the Act. As it is now, it is \$50 for violation by an individual, and \$100 for a corporation. It should be brought into line with the federal penalties of \$100 for individuals and \$500 for corporations.

I feel if some consideration is given to those 3 points on The Fair Employment Practices Act, we are going to make our legislation a living law and an effective guiding principle in building the type of society which our province deserves.

MR. MacDONALD: Mr. Chairman, I do not propose to go into lengthy general observations now, because of the establishment of the standing committee and the intimation of the hon. Minister of Labour and the hon. Prime Minister that the government is giving consideration to a select committee.

Many topics, I think, can best be left to a later date. They are undoubtedly the kind of topics which can be threshed out more effectively in committee rather than here.

I need only add, Mr. Chairman, that when the hon. Minister intimated in the standing committee on labour, on Monday morning, that he had no objection to a special committee, I made a motion which was unanimously passed, urging him to take this matter up with the cabinet.

I need add nothing more than that to indicate that we strongly favour this procedure for looking thoroughly into The Trade Union Act in the light of the very capable and thorough job that has been done by the Ontario federation of labour.

Mr. Chairman, there are just two other topics I would like to raise briefly,

because I do not think they come under specific items in the estimates.

I do not know whether or not the government has given any consideration to one of these points I would like to raise. It seems to me it is the kind of development of which the hon. members of this Legislature should be cognizant. I am not so certain but that it is the kind of development the provincial government has jurisdiction over in terms of some sort of regulation.

I am referring to the development of fee-charging employment agencies.

I have in my hand here a survey which was made by the federal employment insurance commission, or its various offices across the country. It is contained in appendix B to the minutes of a meeting that was held by a committee of this agency — involving, I think, all those interested parties, on October 24th and 25th of last year.

This is a lengthy appendix, and I do not propose to read all of it, other than the two paragraphs to indicate the range of these fee-charging agencies, some of which are to be found in this province.

They are in action down in the counties of Stormont, Grenville and Dundas in connection with workers seeking employment in the seaway development. They are always in operation up in bush camp and woods areas, where there is a considerable transient worker operation.

In the factual survey that was made of the 67 agencies reported, 19 taxi operators were engaged in supplying woods labour; 7 agencies, taxi operators, were also engaged in woods labour supply; 7 agencies were engaged in supplying domestic and char workers; 20 agencies were engaged in supplying clerical and office workers; 11 agencies were supplying executive and professional workers; and 3 purported to deal in all occupations.

Elsewhere in this report it is noted that their usual form of advertising is through the yellow pages of the telephone directory, indicating the kind of

operation and their fees. Just let me read one paragraph:

The pattern of fee arrangements as shown in table I is of interest. Among the taxi operators supplying woods labour, one was reported to charge both the employer and worker a fee for placement. Three others charge the employer for placement and the worker for transportation.

Eleven operators were reported to charge either the worker or the employer for transportation while 4 others charge only the worker for this service.

While information on the amount of transportation charged was not reported, the local office in one case noted that this was thought to be greatly in excess of what could be considered as normal transportation charges.

I raise this because the hon. Minister may recall, back in the twenties and thirties, in another field, the private trade schools. A whole wave of trade schools came into the picture, so to speak. Many of them were of a highly exploiting nature. Many were branches of American agencies, with a large proportion of the money they took in going to the head office in the United States.

This situation reached a point where the government, in the latter part of the thirties—1937 and 1938—felt something should be done by way of licencing to make certain people who unwittingly enrolled in these schools would be receiving value for their money.

When they investigated, they found a large proportion of the private trade schools were not providing value for the money, and could not be licenced, and therefore they were pushed out of the picture.

Those that remain are licenced; I am not certain under which government department, but it is reported in the annual report of the hon. Minister of Education each year. The development taking place today is a sort of counterpart of that situation.

I do not know why it is developing when we have a national employment service which is, presumably, doing a good job, unless it is that the national service is not doing the detailed individual job which seems to be necessary.

Certainly, there is every indication in this factual report that all is not satisfactory, and workers seeking employment are exploited, and paying far too much for getting that employment. This is an economic waste.

I was wondering if the government had considered this matter, and whether they feel this kind of thing falls within the jurisdiction of the province so that these agencies could be licenced and put on a basis where we can be sure they are on the "up and up."

HON. MR. DALEY: I can assure the hon. member for York South we have, over a period of years, given a great deal of consideration to this matter. I would not say it was so in every case, but we deem this sort of agency to be more or less a racket.

MR. MacDONALD: That is what I am fearful of.

HON. MR. DALEY: We most strongly objected to them when the federal government took over the operation of the unemployment offices. There were provincial agencies at that time. As the result of some agreement, the province withdrew and left the matter entirely to the federal government. Agencies operating in this province are required to have a licence. I think this happened before my time, because I have never issued a licence to a single agency to operate in this province.

MR. MacDONALD: Are they operating illegally?

HON. MR. DALEY: They are finding some way to circumvent the Act. They do not actually operate as an agency; they have ways of getting people to their place of business to inquire and,

I understand, in one place they even feel the bumps on their head to see if they are qualified to do a certain job.

MR. MacDONALD: How does the hon. Minister explain the fact this report says they actually advertise in the yellow pages of the local telephone directory? If they are listed that specifically, how can they be fly-by-night agencies the department cannot get hold of?

HON. MR. DALEY: I do not say they are fly-by-night; they have ways of getting around the Act. I have discussed this matter with the federal people to see if we cannot get together in some way to curb this thing. It is not too extensive but it does exist. I do not want the hon. member to think that it has not been given consideration, or that there has not been some attempt made to correct it.

MR. MacDONALD: I am glad to learn the hon. Minister has this under consideration. The only point that intrigues me is this: if this survey is correct — that some of these are actually advertising in the local paper and in the local telephone directory — it does not seem that it would be too difficult to catch up with them. They must have a specific address, telephone number and everything else.

If they are supposed to be licenced and are not licenced, it seems to me there is about 5 minutes of action required, and they can be made to conform with the law.

The other point I want to touch on briefly is something the hon. member for Wentworth East mentioned. That is the educational aspect of our anti-discrimination legislation, if I may describe it in general phraseology.

Last year we discussed this in the House when I had a motion on the order paper, and there seemed to be no particular opposition on the part of the government. In fact, there were some government supporters who said this was the kind of thing toward which we should be moving.

The reason I am convinced that is the case, Mr. Chairman, is this: both groups, those who were opposed to actual legislation against racial prejudice and those who were in favour of legislation, agree education is the long term solution; both agree it is a long term education job.

Those who favour legislation say that a statute is the first step, but to be effective one must follow up with education. Those who are not in favour of legislation say it is impossible to persuade every human being he should not hold prejudice against his fellow man on the basis of race, colour or creed.

My complaint, which the human rights committee has made many times—and their complaint should be coupled with this letter of commendation of the work of the department which the hon. Minister read — is that we have not systematically pursued an educational programme in addition to the prosecution of specific cases of violation.

The human rights committee have also indicated they want this kind of educational programme, although they do not raise it in that particular letter. In all fairness that should be mentioned and emphasized.

This second point I am about to raise I consider extremely important. It was brought to my attention just a few weeks ago when I got hold of a deed which was granted in a certain area in this province—the exact area I will divulge in a minute—and it contains the most shocking case of racial prejudice that I have ever come across or that anyone could ever find.

Just let me read this part of the deed, which is described in the lawyer's terms as a restrictive covenant—something which, in this province, is illegal, because we have statutes which invalidate them.

The ownership of No.—lot on Plan 269, and no part of the low-water beach aforesaid, shall be transferred by sale, inheritance, gift or otherwise, nor rented, licenced to or be occupied by any person wholly or partly of

Negro, Asiatic coloured, or Semitic blood, nor to any person less than 4 generations removed from that part of Europe lying south of latitude 55 degrees and east of longitude 15 degrees east.

This really has the Naziism and Hitlerism regime completely trimmed.

Relationship, however slight, to any class forbidden as aforesaid shall be deemed sufficient to prevent transfer to or occupancy by such person, it being the intention that the occupation of the lands in the subdivision and beach aforesaid shall be restricted to persons of northern and western European descent, other than Jews.

Then, this final little touch, adding insult to injury:

Such restrictions, however, shall not apply to *bona fide* domestic servants of actual occupants during the period of such occupancy.

In other words, they would let some of these lesser breeds get in and be servants of the people who own it.

HON. MR. DALEY: Is that of recent date?

MR. MacDONALD: This happens to be the year 1946, the actual deed.

HON. MR. GRIESINGER: Was that before the Act was changed?

AN HON. MEMBER: It was 1946, why does the hon. member bring it in here now?

MR. MacDONALD: The deed was given by a man who bought the property in 1936, when there were no such restrictive covenant on it. He put the covenant on, and he sold it in 1946. The man in question is John Warner Murphy, Conservative member of Parliament for Lambton West in the federal House.

We have a real job of education starting not too far from home to get rid

of that kind of prejudice. Here is the type of thing which I think is a challenge to the hon. Minister, and apparently he is going to have an opportunity to right something in his own political family.

HON. MR. DALEY: But that is actually stated nowhere in the letter.

MR. MacDONALD: The very fact that it is not stated is proof of the anti-discrimination feeling.

HON. MR. DALEY: Does the hon. member think that I could appoint anyone to any sort of a job, who was an educated man, who could devise a scheme like that?

MR. MacDONALD: The hon. Minister has really put the \$64 question. Here is a man who can produce a document—this man happens to be an hon. member of our federal Parliament, from Lambton West, and I suggest it is a challenge to the hon. Minister of Education to get on with the job.

HON. MR. DALEY: Many years ago this government corrected many of these things and this House was unanimous.

HON. MR. FROST: When was that covenant?

I would like to say to the hon. member for York South that he should keep up to date. We have passed legislation to invalidate that sort of thing and he should know that. That is what this Progressive Conservative government has done.

MR. MacDONALD: It seems to me the hon. Prime Minister is sensitive. I have acknowledged that this was a restrictive covenant. I have acknowledged that it is not valid. I am putting this as an example of the basic problem and the answer is education. It is a plea to the government to get on and deal with this problem, because they have some of it in their own political family.

HON. MR. FROST: I have spent a lot of time trying to educate the hon. member for York South, but without success.

HON. MR. DALEY: I do not know how long it was after the Ontario government passed their no-discrimination Act that the federal government followed, but it was some time afterwards, and now it appears that the federal government has assumed the responsibility of an educational programme in radio, newspapers and other media. I do not know whether or not it appears on television, but I presume possibly it does; but they are doing a pretty fair job in covering this problem.

Why do we want to go to great expense and duplicate exactly what they are doing? Does the hon. member think we can do it better than they? I do not think so. Besides, it is indicated from the letter I read here that there is not a great problem here. Are we to spend a lot of money to meet some problem which does not exist?

MR. MacDONALD: If the hon. Minister will read the brief from the committee whose letter he read, he will see that repeatedly, in the last two or three years, there has been a request to establish a board to pursue educational work.

MR. J. YAREMKO (Bellwoods): Mr. Chairman, if I may say a word or two at this time—and I want to be fair about this—I, for years, have decried discrimination, but I also have for years decried people using it and talking about it in order to stir up class against class and people against people.

When the hon. member for York South found this deed of 1946, when it was presented, I can well imagine the glee with which he found it. He was not shocked. He did not say to himself, "This is something shocking." No, he was happy that, amongst the many tens of thousands of deeds in the province, he found one like this and it was linked to a man who, he says, is a Progressive Conservative.

Will the hon. member York South tell me what the personality and the characteristics of this man have to do with the fact that he is a Progressive Conservative? I would like to know.

I may say that, on several occasions, I have found out and seen instances of discrimination. I have seen them in one of our Toronto daily newspapers — an advertisement which was in breach of the statutes of our province. Did I rise in the House and make a speech?

I called it to the attention of the editor and said: "Mr. Editor, there is someone in your department who is not familiar with the laws of this province. That advertisement should not have been accepted."

I did not go and check to see who that person was, or whether that person was a member of the CCF party so I could get up in the House and mention such a serious matter, wearing a smirking smile on my face —

MR. MacDONALD: Let the hon. member not be so self-righteous.

MR. YAREMKO: I am not being self-righteous.

MR. MacDONALD: The hon. member is being self-righteous.

MR. YAREMKO: I do not rise with a smirking smile on my face; I can rise without rubbing my hands in glee and trying to smear the whole Progressive Conservative party with this libel.

I would like to be able to check into each and every member of the CCF, but I do believe, regardless of the party of which a citizen may be a member, that if he is tainted, then he is tainted, and the fact that he belongs to one or another political party has nothing whatever to do with it.

I can tell the hon. member that I was aware of, and interested, in this problem long before he even knew of the problem —

MR. MacDONALD: Oh, go away!

MR. YAREMKO: I knew of this problem almost from the day I was born. It was only when the hon. member for York South became active in politics that he has become aware of it.

MR. MacDONALD: The hon. member has no basis at all to make that statement.

MR. YAREMKO: Let us be fair about this. There is —

MR. MacDONALD: The hon. member has no business at all to make that comment.

MR. YAREMKO: Will the hon. member tell me what the fact, that a person belongs to any particular party, has to do with the subject matter? It is a smear, and nothing else but a smear, on the party in this province.

MR. MacDONALD: Methinks the hon. member doth protest too much.

MR. YAREMKO: Out of one side of the hon. member's mouth, he speaks one way, and out of the other side, another. He is making a bigger smear than any harm that could have been done by that particular deed.

I say that anybody who is sincere in this type of thing does not rub his hands in glee and smile when he is confronted with it. He treats it as a serious situation.

This process which the hon. member has picked on is not, I submit, an educational process. The process he has picked on is the exact antithesis, and he will have done more harm to a community in the province and the Dominion of Canada by this type of activity than any one of the deeds that he can go around the province and dig up.

MR. MacDONALD: Mr. Chairman, the hon. member is impugning my motives. I just want to say this, and

say it briefly, that I agree with the hon. member that racial prejudice is found in all parties, in all groups. I made that comment earlier, when I said that one finds it in all organizations. That is the problem. I object to the hon. member impugning my motives.

I can assure the House that any time I find it in the ranks of the political party of which I happen to be the leader, I speak out, even though —

MR. YAREMKO: Would the hon. member rise in this House and say that?

MR. MacDONALD: But when the man happens to be an elected representative of the people, and an hon. member of the House of Commons, and is guilty of that kind of thing, I say it is the type of thing which should be exposed.

MR. YAREMKO: I disagree with the hon. member in that. I would ask him what membership in a political party has to do with a man's prejudices? Will the hon. member give me an answer to that?

MR. MacDONALD: I said he was an elected representative from one of the ridings in the province, and that makes this kind of thing all the more deplorable.

MR. YAREMKO: Why did not the hon. member say that this man has blue eyes and, therefore, all people with blue eyes have prejudices; or because he combs his hair in the middle—

MR. MacDONALD: Because that would be absurd.

MR. YAREMKO: Or he wears a red tie—what has that to do with his prejudices?

MR. MacDONALD: That would be absurd.

MR. YAREMKO: It is just absurd as the words which the hon. member used, and as completely irrelevant.

HON. MR. FROST: Might I point out that, perhaps, the lesson of this thing is that the hon. member for York South should not play politics with great moral issues.

MR. MacDONALD: Here endeth the first lesson.

MR. GIBBORN: I think it should be pointed out that, during the last session, when the hon. member for York South attempted to make points in references, he was asked by government hon. members to give names of people, places and times. It should be made clear that there were times when he did not wish to name people, and circumstances to which he did not wish to make reference, but the House insisted. I have also heard hon. members of the government make points and not name people. It is their fault.

MR. ALLAN GROSSMAN (St. Andrew): I would like to get some information on this. I was not clear whether the hon. member for York South said this restrictive covenant had been placed there by a member of the House of Commons.

MR. MacDONALD: That is right.

MR. GROSSMAN: I agree, Mr. Chairman, with the hon. member for Bellwoods. I think it could have been handled in a different way. I do not think, as he has stated, that the fact that a man is a member of any particular party has much reference to the problem.

I agree with the hon. member for York South that we do require a more expanded programme of education.

I have urged the government in the past to do something along that line, and I am hopeful they will. I will certainly do everything I can to urge them to do so.

I do not think this opportunity should go by without saying that if Mr. Murphy was responsible for placing this restrictive clause in the covenant, it only

goes to prove he is a very, very ignorant man and I am sorry for him. It goes to prove that there are ignorant men even within the great ranks of the Conservative party as there are in all parties. We have fine humanitarian leaders in the persons of the hon. Prime Minister of Ontario and Mr. John Diefenbaker, both of whom I am sure do not have to apologize for their attitude in relation to humane or race relations. I think the hon. member for York South will agree with that.

MR. MacDONALD: I now find myself in complete agreement with the hon. member.

MR. GROSSMAN: Mr. Chairman, I want to say that, as far as Mr. Murphy is concerned, I do not consider he is a Conservative in spirit. He may call himself a Conservative but I am very sorry for him and he is a disgrace to the great Irish name of Murphy.

Vote 801 agreed to.

On vote 802:

MR. R. WHICHER (Bruce): Mr. Chairman, one very minor question on 802: the bank charges re vacation with pay stamps, \$145,000, could the hon. Minister explain that?

HON. MR. DALEY: For every book that is cashed we pay 40 cents.

MR. T. D. THOMAS: While we are on that item of vacation with pay, I had two cases last year brought to my attention by two New Canadians. These people had worked in small industries in Toronto, and tried to get their vacation with pay books from their employer, who refused to give it to them. Time went on and they came to me, and I wrote to The Department of Labour giving the information.

The department found that, through these people not understanding the regulations or being newcomers to the

country, the time of 6 months had elapsed and therefore they had forfeited or could not now claim their vacation with pay books.

I think the hon. Minister should look into these kind of things. After all, these cases mainly concern New Canadians who are not aware of the regulations, and after 6 months have elapsed they have lost any claim. There are some firms that are fly-by-night affairs, and these poor people are not aware of the regulations, and therefore lose their stamps. I would like the hon. Minister to comment on that.

HON. MR. DALEY: Under The Summary Convictions Act I am advised that the limit is 6 months, but I do not think that is a fair way to look at it. A man is entitled to it, either he is entitled to it or is not, there should be no question of that. The suggestion I made that the cash be paid instead of using the stamp system necessitates that we would have persons that would follow up cases like that when we were advised of them.

MR. T. D. THOMAS: Mr. Chairman, I might just mention that the two persons involved had sent in an application to the department, and as the time limit of 6 months was up, therefore they had forfeited the right of claiming their vacation with pay books. The only advice they could get from the department was that they should then go to a lawyer and seek his assistance in prosecuting their employer.

There was only the sum of about \$25 involved, a small sum perhaps, but rather a large sum to the individuals, because they had been in the country for only 12 months. Expecting them to hire a lawyer and meet the cost of legal fees, to gain a matter of \$25, I think was expecting too much. Consequently these people in Toronto who did employ these two individuals "got away with it" and, as far as I know, have paid nothing at all.

HON. MR. DALEY: Can the hon. member give me the names of those people?

MR. T. D. THOMAS: Yes, I can.

HON. MR. DALEY: I am not satisfied my department treated it in that way. These people do not sacrifice their right to this money, they sacrifice their right to prosecute after a certain time. However, I will look into it.

MR. J. A. MALONEY (Renfrew South): Mr. Chairman, may I advise the hon. member for Oshawa that it would not have been necessary to pay anything to a lawyer. In every county in Ontario there is now a legal aid society set up for such cases as the one mentioned, and provision is made that these people do get service without any cost to them.

MR. T. D. THOMAS: Mr. Chairman, I would like to thank the hon. member for the information, but I would like to acquaint him with this fact, too, that the legal assistance or the advice that people receive from the Ontario association is on a means test basis, and therefore these people could not qualify.

MR. MALONEY: Oh well, they could not qualify.

MR. R. E. ELLIOTT (Hamilton East): Mr. Chairman, on vote 802: the vacation with pay stamps \$145,000, just what would that be for?

HON. MR. DALEY: That is what we were dealing with; we pay 40 cents a book to the bank for cashing them and one per cent. of the sales.

MR. ELLIOTT: That is 40 cents a book?

HON. MR. DALEY: Yes.

Votes 802 and 803 agreed to.

MR. G. GORDON (Brantford): Mr. Chairman, I wonder if I might refer back to the workmen's compensation vote for what I have to say? I know any increase in workmen's compensation benefits is not retroactive, but I feel that something should be done for the widows of workmen who died, or were killed, previous to 1953. As hon. members know the rate is very small; a widow with two children would receive \$74 a month at the present time.

HON. MR. DALEY: Mr. Chairman, I am as much in sympathy with the hon. member's position as he is, but that is another matter, that is not in these estimates.

MR. GORDON: Workmen's compensation board is in there.

HON. MR. DALEY: That is compensation that we pay for the protection of our own employees.

MR. GORDON: I will just be a few moments in saying what I have to say.

MR. OLIVER: Mr. Chairman, may I say that if the workmen's compensation vote is not here, then where is it? Does the hon. Minister suggest that nowhere in the estimates is there an opportunity for hon. members to discuss the workmen's compensation board? If the hon. Minister agrees that there is a place, then this is the reference and it should be here.

HON. MR. FROST: It could be done on the debate on the speech from the Throne.

MR. OLIVER: Or on the budget debate. It is generalized, but in this specific item we want to bring up specific cases.

HON. MR. FROST: Mr. Chairman, may I ask whether the committee on commissions might not be the place? Does it not come up there?

MR. T. D. THOMAS: I might say that it has been the practice in years gone by. I can remember hon. members of the Legislature referring to this kind of thing when the hon. Minister's estimates were being presented to the House, although there was no particular item in the estimates to cover them. I can remember that quite well.

MR. GORDON: Mr. Chairman, if the hon. Minister had not interrupted I would have been all through now.

To make a long story short, over the past 5 years, the government has subsidized the teachers on their pensions, both for their widows and their ordinary pension, and it has been taken out of the funds of the government and the civil service.

Why can that money not be taken out of the government to assist these poor people who are not able to get the comforts of life as they should, through no fault of their own? Their husbands were taken away from them through no fault of theirs, and I think something should be done.

I do not think there are very many of them and, as the days go by, they would get fewer and fewer.

The reason for this, Mr. Chairman, is that these poor widows have no one to speak for them. They are all over this province and it is time someone did speak for them, and I hope by these few words, they will make their wants heard to the government.

Votes 804 and 805 agreed to.

On vote 806:

MR. WHICHER: Mr. Chairman, there is a heading there "board of examiners." I wonder if the hon. Minister would explain just what that board does?

HON. MR. DALEY: It is actually run at Queen's Park. It is a board of examiners who set the examinations, and examine the applicants. If the hon.

member would visit there, he would find 50 men down there writing examinations. That is their function. They actually run the department.

Vote 806 agreed to.

MR. GISBORN: Mr. Chairman, I would like to revert to vote 805. I would like to put just a couple of questions, if I may, to the hon. Minister of Labour.

On January 30th there was an explosion in the Electro Metallurgical plant in Welland, where 4 men were killed and several seriously injured; and then again, in Windsor, there was an explosion of a foundry boiler where another man was killed. Does the department investigate accidents of that type by an investigator on the job?

HON. MR. DALEY: Yes, definitely. We do so immediately we get the word that anything has happened. Of course, our inspectors endeavour, through observation, to prevent that sort of thing. But we cannot always prevent a boiler explosion, especially if it is not giving any indication that it is going to explode.

MR. GISBORN: That type of boiler has become prevalent in some of our industrial centres. I am just wondering and hoping that other plants in the province will be watched, in respect of that kind of boiler.

I see the salaries for the branch is \$56,000. How many field inspectors would be paid out of that? Naturally, some of that is for administration.

HON. MR. DALEY: There are 30 boiler inspectors. There are factory inspectors who do not actually inspect boilers, but they go there and if they see anything which looks suspicious, they acquaint the boiler inspector. There are 55 factory inspectors.

MR. GISBORN: The hon. Minister says there are 55 field inspectors, outside of the boiler inspectors?

HON. MR. DALEY: Yes.

MR. GISBORN: Do they inspect on a routine basis, or do they go in just on complaints?

HON. MR. DALEY: No, routine. The province is zoned. We have set up certain zones, and there are so many inspectors placed within each zone, and it is their function to look after it. We get reports as to everything that is inspected and what is found, and so on. Generally, it is just a routine inspection.

MR. GISBORN: Then, I would take it that there would be on record the report regarding this particular accident in Welland?

HON. MR. DALEY: I would think so, yes.

On vote 807:

MR. WHICHER: On vote 807, I would ask the hon. Minister how many complaints there have been in the past year, under this minimum wage branch?

HON. MR. DALEY: I do not think we would have that here.

MR. WHICHER: Well, roughly how many?

HON. MR. DALEY: I would say very few. There are very few people today working for the minimum wage. They are all beyond that. I would say there are very few, if any. I could find that out for the hon. member.

MR. WHICHER: I was thinking more particularly of female labour.

HON. MR. DALEY: That is whom it protects.

MR. WHICHER: If very few people are working for this minimum wage now, perhaps it would be a good idea to raise the minimum wage a little.

HON. MR. DALEY: We have done that, but that is a difficulty in a large province like Ontario. We have different rates in different areas—for example, the village and the hamlet. There are different rates from one section to the next. Large cities have different rates.

MR. WHICHER: What would the minimum wage be, in the city of Toronto, for male and female labour?

HON. MR. DALEY: The hon. member must understand the minimum wage applies only to females. It does not apply to males. I believe the minimum wage is about \$24.80 in metropolitan Toronto.

Votes 807 and 808 agreed to.

On vote 809:

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, I wonder if the hon. Minister would permit me, under this question, to go back to one of the earlier questions and ask him whether or not there has been any change in the amount of compensation paid to members of conciliation boards? Is the compensation still the same as it was a year ago?

HON. MR. DALEY: The chairman, yes. The hon. member will recall that some time ago we improved the judges' salaries to \$60, and then made it for all chairmen. Yes, it has increased.

Vote 809 agreed to.

On vote 810:

MR. J. SPENCE (Kent East): Mr. Chairman, item 4, "assistance to amateur sports", I wonder if the hon. Minister could tell us how one qualifies for assistance to amateur sports, or is it the club?

HON. MR. DALEY: Yes. That is handled under the athletic commissioner. We assess wrestling, which I hate to mention in this House, but we assess 2

per cent. on professional wrestling and boxing, and we take that money and administer assistance under the athletics commission.

If we receive an application from anyone in the province, who is interested in forming a midjet or kids' team, and wants to assist juveniles of the province to get into sports—hockey, baseball, boxing, basketball or any other sport—and if we are convinced that he is serious about it and wants some equipment, we will send it to him.

We do not do it unless someone will accept the responsibility of looking after this equipment. It would be quite easy to send out a couple of sets of pads and equipment for goal tenders in hockey, which are quite expensive, and have the first youngster who puts them on take them home, and have that the end of it. We cannot permit this.

So, if somebody will be responsible for the equipment, we will assist them, and have assisted them. We are expecting to assist in this manner to the extent of \$16,000 this year. It is not difficult for them to get the equipment if we can be assured that it will be looked after, and if somebody makes himself responsible for it.

MR. WHICHER: Mr. Chairman, I have a question with regard to the athletics commissioner. Would the hon. Minister inform me what salary that gentleman is receiving?

HON. MR. DALEY: I think this year, with his annual increase, it will come to about \$5,200.

MR. WHICHER: I though it was approximately around that figure. When he was here speaking to the committee on commissions, and explaining the wrestling and boxing situation in Ontario, I asked him if he considered his powers in wrestling and boxing to be approximately the same as those of Clarence Campbell, who is president of the National Hockey League, and he replied yes.

I would suggest that \$5,200, for a man who is controlling a large sporting venture, professional sport, such as wrestling and boxing in Ontario, is a very limited salary, particularly when one has to look after amateur sports.

I always have had a great deal of consideration from him when I have asked for assistance for teams in my locality, and I know there is a considerable amount of work done in the office of the athletic commissioner. I seriously and sincerely make the suggestion to the hon. Minister that, when a man is dealing with big business such as wrestling and boxing in this province, he should be paid in such measure as warrants the huge business that it is.

HON. MR. DALEY: I am sure he will be very grateful to the hon. member, but I think he is quite happy to go along with us. We have brought him right up; he was taken out of another section of the department and put in there, and I think the hon. member will find he is a good man doing a good job, and is being reasonably well paid. We are looking after him to the best of our ability.

MR. MacDONALD: Before we leave that item, may I say that last year, when this athletic commissioner's activities were surveyed by the standing committee on government commissions, the only phase of the work we were able to deal with in any detail was that of boxing. The committee was sufficiently disturbed, by what they learned, to recommend to the hon. Minister there should be a thorough investigation into the whole picture. I have forgotten whether the proposal was to investigate through a select committee or some other procedure.

This year, the only phase of the work we were able to touch was that of wrestling. We spent a very entertaining session or so. I do not know exactly what we achieved; I understand the referees are now shaking hands with the combatants and smiling rather than scowling at them. Perhaps we, at least,

achieved the re-writing of the script a little.

The point I want to make is that there has been evidence presented, last year, in a brief—documented evidence that suggests all is not well in this field; that in some places practices have crept in that are not above-board; they are illegal and verging on racketeering.

I am a little puzzled why the hon. Minister is not willing to carry out the recommendation of the committee last year and make a thorough investigation. There are certainly charges in the brief presented last year by the committee, of which the hon. Minister is aware; whether or not he has forgotten them, I do not know, but I assume he has access to that brief.

I feel this matter is too serious to pass over, and perhaps to allow them to result in consequences which we will regret at a later date. Now is the time to tackle the problem.

Is the hon. Minister sufficiently disturbed to have a thorough investigation made of the whole situation? I ask because, obviously, our committee cannot do it.

HON. MR. DALEY: I am not disturbed about anything. We have a good conscientious man. Boxing and wrestling are pretty well routine. We weigh the boxers, we check to see that the contestants are reasonably well balanced. We do not get a very strong experienced boy knocking the daylights out of an inexperienced lad. We check on their records. We collect our taxes.

The wrestling field is a different proposition. We control it and try to keep it reasonably under control, but amateur sports do come under this commission and are run throughout the province by, I am very glad to say, responsible people. In my own city the people who run the amateur hockey are fine citizens.

I do not see why the hon. member wants any commission to go and investigate into something that is, to a great extent, imaginary. There is nothing

wrong. Not everybody in this country is a racketeer. We are not experiencing any difficulty.

About the biggest case we have had, since I have been in this department, was that in which a coach of a girls' basketball team had been improperly dismissed from the Ontario basketball association.

We looked into the matter and appointed a judge to investigate, and he made certain recommendations. We carried them out. That is, the basketball association carried them out and that was it.

We investigate anything that comes to our attention, but we are not running helter-skelter all over this province to find out if anybody is being crooked in a little game of ball. The hon. member is magnifying the difficulty.

MR. MacDONALD: The hon. Minister dismissed it as not being sufficiently serious. Let me put this situation to the hon. Minister:

A top sports promoter, in the city of Toronto today—and I do not think I am exaggerating—a year or so ago was convicted on a book-making charge. He was given a year's suspension by the athletic commission.

HON. MR. DALEY: Book-making on horses?

MR. MacDONALD: A book-making charge. This is the kind of thing the hon. Prime Minister was deploring earlier in this session, because book-making had spread until the government had to alter our tax level to try and cut it down.

Almost at the same time that this man was convicted on a charge of book-making, and was suspended for a year, a boxing club up in Sudbury was suspended indefinitely.

I am just a little curious as to why the discrepancy between the boxing club in Sudbury, which was suspended indefinitely, and this man who was sus-

pended for only one year? Today he is responsible for a good deal of the Toronto sports promotion.

The hon. Minister said he is not concerned, yet this man was responsible for the amateur boxing out at Palace Pier. He was not only responsible for that, but he has a signed contract with the Canadian Broadcasting Corporation and is getting \$1,000 a week for television rights. He continued to hold that contract, although somebody else was put in as match-maker after the conviction was made.

Is this the kind of thing the hon. Minister should ignore and take the attitude that all is well in this best of all possible worlds?

HON. MR. DALEY: The hon. member has not given us any information. Maybe this northern boxing club was doing something shocking in boxing, perhaps putting bettors in there or buying them off to lose or win. I do not know what they were doing, but if they were doing that, in connection with boxing, I say it was right to put them out of the game.

According to the hon. member, this man did not do anything wrong in connection with the boxing game; he did have a book on horse-racing. I do not know whether one should throw a man out of the boxing game, especially an experienced man, because he makes a book on horses. I think where he was wrong was in getting caught.

MR. MacDONALD: I think this is a very interesting statement; after all we have heard the hon. Prime Minister say about the seriousness of book-making, to have the hon. Minister say it is "all right but do not get caught."

HON. MR. DALEY: There is a difference here.

MR. MacDONALD: And the hon. Minister is encouraging it. This government gets fantastic.

HON. MR. FROST: There are different kinds of gambling. Some people play poker and win or lose.

MR. MacDONALD: I have heard about that. That is why I am in favour of a tax on capital gains.

HON. MR. FROST: The hon. member would not be so "tough" as to tax what a man might make in a poker game?

MR. MacDONALD: I think all ill-gotten gains are paid by the little people, and therefore they should be taxed for the benefit of all the citizens.

AN HON. MEMBER: Tell that to the hon. member for Wentworth East.

HON. MR. FROST: May I tell the hon. member that, in a case like this, as the hon. Minister says, these things should not be engaged in, and one has to "crack down" when they are found. I will say I have no sympathy with this big book-making ring. They are involved in high pressure racketeering, and they make a huge sum of money out of exploiting the public.

It is one thing to exploit a man in a poker game, but it is another thing to exploit him in the big, high-pressure gambling connected with these book-makers.

MR. MacDONALD: I accept the hon. Prime Minister's comment. I think it is correct. This is serious, and what I was suggesting to the hon. Minister was that a man who has been convicted as a book-maker, who is the chief promoter of amateur boxing in this area, and who, at the same time as he was convicted of book-making, was holding a contract with the Canadian Broadcasting Corporation for television rights and getting \$1,000 a week—I suggest to the hon. Minister that this is the kind of situation which should be looked into.

I know we do not see eye to eye on it, but I suggest to the hon. Minister that he should look into it.

MR. H. FISHLEIGH (Woodbine): Mr. Chairman, might I say a word here about something which happened within the last two or three days, which will give an idea of how it is handled? For example, Pedro Jimenez, who is a boxer—I think he was the middle-weight champion of Europe—came to Canada. He thought he could pick \$10 bills off the trees. The promoter brought him here with his family of 3 children—the youngest one is 10 months old.

The man went into the ring and lasted 3 rounds. He was knocked out. Of course, his hopes were then dashed, so he thought: "Well, who is going to look after this family? Who is going to look after this boxer?"

The boxer came to my office, and he was a mental case. I thought it was possibly as a result of the match he had had, but evidently it was not that. He was a paranoiac case.

I sent him down, with an interpreter, to see Mr. McKenzie. They went over his contract. There was nothing in it—no injustice—his contract was one which was one-sided, in that if he won he got part of the pay-off, but if he did not win, he got nothing.

The problem is what to do with the boxer. He has nothing, and cannot box any more. The Department of Health and the hon. Minister of Health (Mr. Phillips) had him admitted to a mental institution, and it is hoped he will come out in good condition. He is not too bad.

The point is, now, his 3 children and his wife have no means of support. They will have to be looked after.

So far as the department was concerned, they were very considerate. They could do no more than what they have done. They have done more, possibly, than they should have.

I do not think there should be any criticism whatsoever as to the athletic commission and the way it is operated. They are trying to do a job, and that is a concrete example in this case, which is only about 3 days old.

MR. GISBORN: Mr. Chairman, I would like to address a question on another aspect. The question is: "What happens if a fan is injured by a wrestler who is thrown from the ring?"

Is there any responsibility on the commission?

HON. MR. DALEY: Not so far as he is concerned. He is "on his own." Surely the hon. member has seen these wrestlers, if not in person, on television. They are big, rough, tough boys, well-skilled in the job they are trying to do. They often get thrown out of the ring.

MR. GISBORN: I do not think the hon. Minister has understood my question. It is: if a spectator or a fan sitting in the front row is injured —

HON. MR. DALEY: By the wrestler falling on him?

MR. GISBORN: Yes, by the wrestler falling on him.

MR. MacDONALD: Workmen's compensation?

HON. MR. DALEY: They should sit further back. I am not going to "baby-sit" on these things.

MR. GISBORN: Somebody must be responsible. Whose responsibility is it?

HON. MR. DALEY: I suppose it would be the responsibility of the promoter of the arena, in the same way as at a hockey match, if somebody gets hit by the puck.

I read a case where a woman sitting in the front row sued the arena. She was hit by a stick. The judge's decision was based on the fact that this woman had never been to a hockey game before, and, therefore, was not aware of the danger. Had she been there and sat there before, she would have realized the danger. But she did obtain some damages.

We cannot cover all these things.

MR. A. COWLING (High Park): Mr. Chairman, I would point out to the hon. member that the front-row seats at all wrestling matches are taken by ladies, in the hope that a wrestler is going to land on their knees.

In the second place, I think it will be found that the promoter of the arena where the match is being held is covered by a public liability insurance policy and, if a claim on them is made, they are covered.

MR. P. MANLEY (Stormont): I might refer to amateur sports again, because it is a subject in which we are all interested.

I am just wondering about those different amateur clubs to which assistance is being given. I notice that the appropriation has been cut this year by an amount of \$4,000, from \$20,000 down to \$16,000. If that is going to be the policy, to cut it each year by the amount of \$4,000, in 4 years we will not have any fund at all.

I am wondering if the different amateur clubs in the province are aware of the fact that this assistance is available to them.

HON. MR. DALEY: We cannot take the responsibility of running all amateur clubs in the province. It is for small children. There are a lot of amateurs. There are juniors, juveniles, and older age groups. We are not accepting any responsibility for those boys. They are on their own.

But for the children in the communities who would like to start ball teams, but who cannot buy equipment, we will equip them, see them organized into leagues and supervised; thus we help to keep the children off the streets.

There are a great many service clubs that sponsor amateur players and we do not help them. We do not want to get all the sponsors out of the picture, and we do not want to give the idea that the government is assuming the responsibility for running everything. We are

doing it only for the midgets and youngsters, when we supply some equipment and so on.

As far as money goes, I think last year there was a \$10,000 Olympic grant; we paid out last year \$12,500 for the Olympic games, and a treasury board order for \$8,000 was necessary. We paid that amount toward the Olympic contestants, some for training and some to send them overseas.

However, we are not absolutely restricted. It has been suggested that we have access to all the revenue from the tax for this purpose, and I would rather leave it where it is.

I have a free hand to pay out the money that is required and in the case of the Olympics we got a treasury board order for the additional money. I would prefer to leave it that way because I do not want to give everybody the impression that we have taken over amateur sports, because we have not.

MR. MANLEY: How many of the young groups took advantage of the offer last year?

HON. MR. DALEY: I have not the figures here, I can get them for the hon. member because we have a complete record, but there was a goodly number, I can assure him of that.

MR. G. C. WARDROPE (Port Arthur): Mr. Chairman, may I just say a word on that? I happen to be president of a baseball club, and the honorary president of a hockey club, in Port Arthur where they turn out the best hockey players in the world. There is no doubt about that. As far as our baseball team is concerned they are seniors, and Rudy Migay of the Toronto Maple Leafs is the captain of that team, which is carried on with the very great assistance of an oil company.

Our hockey club is assisted by one of the professional hockey clubs. I do not suppose anyone in this House suggests the hon. Minister of Labour should finance amateur sport, because anyone

who is interested in sports will find ways and means of financing clubs. The government is giving some assistance in the way of equipment, but no one surely would think that the government should finance it in its entirety.

Vote 812 agreed to.

Hon. Dana Porter moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

ADDRESSES IN REPLY TO THE SPEECH FROM THE THRONE

MR. T. GRAHAM (York Centre): Mr. Speaker, I add my congratulations to those already extended to you, on the magnificent contribution you are making to this assembly. Your genial disposition, your knowledge of the rules, and the impartial manner in which you enforce them, have placed you in a position of the highest esteem. I sincerely hope that this House is honoured with your presence for many years to come.

I also desire to congratulate the hon. mover and seconder to the speech from the Throne. The hon. member for Port Arthur (Mr. Wardrope) carried out the honour bestowed upon him with his usual thoroughness, and delivered a most interesting speech with the ability and force for which he is so recognized.

The seconder of the speech, the hon. member for York West (Mr. Rowntree), proved to this House that he is most capable, and is definitely going to make a tremendous contribution towards it. I congratulate him both on his speech and on being elected in the recent by-election.

York Centre is a new riding created by the 24th Legislature. It was previously included in the historic riding of York North, which has been so ably represented in this assembly by my hon. colleague (Mr. Mackenzie). May I say, in all sincerity, and without detracting from any hon. member of this House, that there is not a more sincere or diligent hon. member in this assembly. The people of my riding shall be long indebted to him for the fine work and effort exerted by him on our behalf.

York Centre riding consists of the western portion of the township of North York, which is one of the 13 municipalities that form metropolitan Toronto. The hon. Prime Minister (Mr. Frost) and his colleagues will go down in history for the forming and passing of Bill No. 80, one of the most courageous and formidable pieces of legislation this province has ever known.

This union has already proved its worth, and has rendered untold assistance to the municipalities involved. May I express my appreciation at being named as a nominee to the committee proposed to study the metropolitan set-up. I thank the hon. Prime Minister and assure him, and this House, I shall exercise my duties to the best of my ability.

On July 18, 1922, the Ontario Legislature enacted a bill incorporating the township of North York, allowing the area to secede from the township of York. The petitioners had argued that the southern part of York township was urban in character, and that the northern section was rural, therefore the administrative problems differed, and that the argument for secession be approved.

This was accomplished and the new municipality was created, having an area of 66 square miles, a population of less than 6,000 persons, and an assessment of nearly \$6 million.

This new municipality started off with great hopes for the future,

especially having in mind the words of Sir Wilfrid Laurier, who had some years previously stated that the twentieth century belonged to Canada. However, this new municipality struggled on for years, with slow unproductive development, and by 1948 the population had reached 32,000 persons, with little or no industry. The people had become discouraged and had lost faith in the words of wisdom uttered by Sir Wilfrid Laurier. But this, like other Liberal promises, took 50 years to materialize.

By 1950 our picture exploded, and in the last 7 years our economy has forged ahead. Today we have a population of 170,000 persons, an assessment of \$325 million, with an influx of industry to our municipality. This past 4 years has seen a rise in industrial assessment of approximately \$70 million.

Today, we are the fourth largest municipality in Ontario. We are the fastest-growing municipality in metropolitan Toronto, which in turn is acclaimed to be the most rapidly expanding area in North America. We now have 3,000 more children attending school than was our entire population figure 9 years ago.

I give this résumé with one thought in mind. In my humble opinion, I believe that our municipality is indicative of a large number of such corporations which today, through their rapid expansion, demands on services and schools, are presenting a problem to this Legislature. I believe that the progress and productivity of this province will depend a great deal on the orderly expansion of our municipalities, and the type of service and labour that these areas can offer to new industry.

In turn, I contend that the progress of Canada also depends on the orderly development of the provinces. It is therefore necessary that we have the utmost co-operation between all levels of government, that each recognize and endeavour to assist the other. Only through this means, and this means

alone, can Canada maintain, and progress in, the world position to which she is entitled.

The Ontario government is making a serious effort to cope with the plight of our municipality in the disbursement of grants towards municipal, education, and welfare costs.

The hon. Provincial Treasurer (Mr. Porter) is to be congratulated on his recent budget, which has gone all-out in an attempt to assist our farmers and residential home owners by having certain grants credited to the residential and farm property tax. This has been an excellent effort and is one that I sincerely hope is fully recognized by the other levels of government.

The municipal councils and boards of education in our province have, in the past, and will in the future, I am positive, show the caution and wisdom of their area spending and planning that will assist Ontario to become even greater in the contribution she is making towards the Canadian economy, both in production and development.

However, I do look with dismay towards the federal government. If in the future we are to receive no more co-operation than we have in the past, then our future could have many pitfalls. The very basis of Confederation will have failed—the premise that all provinces would band together for the betterment of all, under a senior government in the capital.

This government, which was to guide and assist us, is failing dismally in its obligation. In refusing to recognize the contribution being made by Ontario towards the progress of Canada as a whole, by failing to recognize and assist, in the manner she should, the financial obligations contained in the expansion of our province, the federal government is most surely leading us to the chaotic conditions predicted by the hon. Prime Minister last year.

One wonders why the federal government is so adamant in their view of refusing to return us a fairer share of our tax money when we see the huge

surplus estimated for the closing of this year. The \$539 million estimated surplus in Ottawa far exceeds our entire estimated revenue for 1957-1958, yet about 50 per cent. of this was derived from Ontario taxpayers.

The other day we heard the hon. members of the Liberal party express their views on the grant system. They have often been accused of being a "mouthpiece" for Ottawa.

Well, I have a possible solution to this attitude. It may be possible for them to obtain favour from the senior government, and have this \$539 million surplus distributed for loaning purposes to municipalities through such corporations as the Ontario municipal improvement corporation.

The senior government could buy up debentures from the boards of education. The boards of education in our province are having a very difficult time in selling their debentures. Metropolitan Toronto has had to cut its capital expenditures by some \$20 million.

Mr. Speaker, as I stated previously, ours is a young municipality, we have a large number of children. This has presented a problem with which I am sure the government can assist us. It is that of the mentally retarded children.

I am fully aware of some of the plans that are being made, but what I am asking is that these be expedited. There are a number of families in my riding who, unfortunately, have such children.

As we all realize, the present institutions are filled, and the waiting time is quite lengthy, so I would ask that this problem receive the utmost consideration and that The Department of Health make an all-out effort to see that their planned extension of accommodation be proceeded with, with the utmost speed.

There may possibly be some way that temporary accommodation could be located to help alleviate this most serious problem.

Another suggestion is one directed to the hon. Minister of Municipal Affairs (Mr. Warrender). I would ask that

serious consideration be given to presenting a bill to this House that would make it permissible for a municipality to pass a by-law to force persons with artificial swimming pools on their property, to provide such protection as they see fit—such as a fence or other barrier around the pool.

In a large number of urban areas, artificial pools are being erected on private property and are being left without any barrier to prevent children from coming close.

Last fall, in my riding, a 3-year-old child was drowned in a neighbour's pool. He had apparently wandered onto the property of the neighbour, and while playing close to the pool fell in and was drowned.

There are other instances I know of, where children have been drowned under similar circumstances. Thus I am suggesting that this permissive legislation be seriously considered.

I would like to compliment the hon. Attorney-General (Mr. Roberts) for the speech on safety which he made in the House the other day. It was one of the most serious thought-out speeches I believe I have ever heard since I have been a member here, and I believe his programme should be followed with the utmost of interest by every hon. member of the House. Thank you.

MR. G. J. MONAGHAN (Sudbury) : Mr. Speaker, as a relatively new member of this House, I must first of all say that the speech from the Throne, and the many comments made by the hon. members, have been very enlightening to me.

Furthermore, the budget address presented by our most competent hon. Provincial Treasurer (Mr. Porter) has given me a feeling of pride in what, as a Legislature, we are attempting to do for the people of the province.

I believe that most of what has transpired in this Legislature, since the reading of the speech from the Throne, should inspire all hon. members to do more of the good things that will make Ontario a better place in which to live.

I would say that we should be thankful for the fact that it is possible for all the people, of our approximately 500,000 square miles of territory, to have a voice in how our business is going to be run.

It is a singularly exciting thought that the representative of Sudbury riding can suggest, in this Legislature of Ontario, that there are certain aspects of the overall administration of this province with which he cannot agree.

That is exactly as things should be. We should never forget that the Legislature was created to enable the little man—through his elected representative—to have his say, to ask for assistance, or sometimes to dictate the way out in times of stress.

And to follow this line of thought, I would like now to limit my comments to a grave issue which Sudbury and all the satellite municipalities of this great northern centre must face.

This grave issue affects not only my riding but much of that of my colleague from Nickel Belt (Mr. Belisle).

I further suggest that the hon. members from the southern constituencies of Ontario, who think they have a problem, should listen to what I have to say. If they do, they will feel relieved as they find that some people in this province are far worse off than they are.

Sudbury, the child of the nickel-copper industry, like "Topsy", just grew. It "just grew" on the worst possible location of any major municipality in this Canada of ours.

It is built on the hardest rocks which "old man geology" ever contrived to produce. The result is exorbitantly high costs for services and building.

So here we have at Sudbury a population of roughly 48,000. The ever-increasing population is pouring out into adjoining, and encircling, McKim township; and thence into the other municipalities that exist along the whole oval-shaped basin that is the economic soul of the entire district. The total population of this vast area—all existing today by reason of the nickel-copper

industry—is in the neighbourhood of more than 100,000.

Because of Sudbury's central location, and because it is the older established centre, most of the people from all sections mentioned travel in to shop, see a dentist, a doctor, or a lawyer. In other words, Sudbury is the focal point for a prospective population of 150,000 people.

I have here an interesting news item which appeared in the *Sudbury Star* of March 4th. It reports that, in the city of Sudbury itself, the assessment breakdown is as follows:

Residential, \$32.4 million, or nearly 60 per cent. of the total; professional and commercial assessment, \$16.7 million, or 30.5 per cent.; railways, \$2.9 million, or 5 per cent.; and finally, manufacturing and industrial, \$1.7 million, or 3.6 per cent. of the total.

Comparable figures for the other municipalities in the Sudbury area are not available. I am sure that, in their case, the vast bulk of assessment is on homes, and that the proportion of manufacturing and industrial assessment is even smaller than the 3 per cent. in the case of Sudbury.

The more unfortunate aspect of it all is that much of the new population has been forced to build in areas outlying Sudbury. This happened when building costs were at the highest point ever reached in history. The same high-cost factor applies to municipal capital works and administration.

It would then seem that something in the nature of a get-together of all the municipalities in the Sudbury area is a prerequisite to the settlement of our many financial problems.

There are many ways to accomplish this. We have the example of the experiment now being tried under the designation of metropolitan Toronto.

Mr. Speaker, in the Sudbury district there are, I suppose, a few other means left to us to test before we make a suggestion upon which the pattern of our local government shall be established.

I have been long enough in municipal politics to realize that the whole question is far beyond what I was ever able to conceive as the perfect answer to what form of municipal government, on an area or district basis, our many municipal councils should adopt. But I think that, no matter how we achieve understanding among all of the municipalities in the nickel basin, understanding is essential to our common welfare.

This question of amalgamation or integration is not new. It started attracting the attention of serious-minded residents of the district as far back as the pre-war days. It was evident to those who had faith in the increasing development of our nickel-copper industry that, soon, more room would be required to take care of the growing population that would follow in the footsteps of industrial progress.

But all along the line, the "bugaboo" that hindered or, better still, put a stop to such an association of municipalities was the fact that all of us, and by that I mean municipal governments, could not hurdle the high fence of limited taxation. In other words, we could never hope—under existing legislation—to improve our income through taxation of what we believed was the only promising source of industrial taxation, the surface plants of the nickel-copper industry.

Think of it—the largest, the wealthiest, and the most promising segment of the mining industry of Canada, whose major works are all located in the Sudbury basin, and where the great majority of its employees and wage-earners live; that great nickel-copper industry is for all intents and purposes outside the pale, tax-wise, insofar as our municipalities are concerned.

Indeed, both International Nickel and Falconbridge pay considerable amounts in the form of direct taxation to Ottawa and to the province—and by far, may I say, to the extent of probably 90 per cent. to Ottawa, in the form of income tax.

The municipalities of the Sudbury basin, whose hope it is some day to become one, realize that both Ottawa and Queen's Park must find revenue. But these same municipalities would have it understood that they, too, need revenues. And furthermore, that their field of taxation, and their ability to decide on what those fields should be, are limited to what the province is ready to recognize as their privilege.

A few minutes ago, I mentioned the extraordinarily low proportion of industrial assessment in relationship to the whole assessment in Sudbury; something in the neighbourhood of 3 per cent.

And now I come to the point: the municipalities of the Sudbury area, whose steadily rising population now numbers in excess of 100,000 people, cannot amalgamate unless it becomes possible for them to assess, for municipal purposes, the large number of surface facilities of the vast mining and processing industries within their geographical limits.

I believe it would be proper at this time to say something about the legislation which is responsible for the constrained conditions in which the municipalities of the Sudbury basin find themselves. I must for that purpose bring hon. members back to some 46 years ago, in 1910, when the provincial government of that day, in its proven wisdom, enacted legislation to encourage capital to come here in the pre-cambrian shield and open up our vast mineral riches.

This legislation to encourage capital to come to our northern regions had a sensible basis. Let us recall that Cobalt, which had been discovered in 1904, had electrified the whole world with the richness of its silver lodes. Just one year before the legislation had been introduced, that is in 1909, a fabulously rich golden stairway had been found near what today is the great city of Timmins, and the whole mining world was now beginning to believe that probably Ontario's northland held the keys to a treasure-house richer than the wildest dreams that man had ever envisaged.

But long before this, more than a quarter of a century before the introduction of this legislation—and that is in 1883—the fact of a nickel-copper industry was on the verge of being proven. It was at the time of the westerly projection of the Canadian Pacific Railway, through what is now the heart of the Sudbury basin, that the mining potential of the whole district was established.

Sudbury, and many of what are now the important municipalities in the Sudbury basin, were just tiny hamlets at that time. And at that time, no one, I am sure, had any idea that the Canada of today would exist; no one, except some fantastically imaginative individuals could have afforded to believe that what we are facing today as a very hard reality was but a dream belonging to a moment of poetic fancy.

So, the legislation of 1910, which had been introduced as a measure to open wide the field of opportunities in a land of very green pastures, did have the desirable effect of attracting hard-to-get capital. World War I intervened, and it was not until the middle of the twenties that a resurgence of interest in Ontario was manifest.

Today, this province is still the leading producer of minerals in the whole of Canada. And our production of minerals is not limited to Cobalt, to Timmins, to Kirkland and Larder Lakes, to Red Lake, to Atikokan and to Sudbury. But, as hon. members are all aware, many other centres in this province are now recognized as important points on the mineral map of Ontario.

And Mr. Speaker, today, 47 years after the introduction of that legislation of 1910, which has long since served its purpose, I refer to it as legislation that has become mouldy. All of us, and by that I mean all of our mining municipalities—whether they be the old Sudburys, or the brand new Elliott Lakes, or the recent Manitouwidges—all of us, I say, must still attempt, as municipalities, to face up to our particular problems under the restraining tether of a provincial order that should have been

eroded by the number of years that belie its age and usefulness.

The first time since 1910 that we, as a northern municipality, felt that we were getting closer to some form of freedom, was in 1950. It was then that the hon. Provincial Treasurer of that day wrote a letter to the then mayor of Sudbury, the late W. S. Beaton, and here, if I may be permitted, I would like to read from a copy.

Toronto 2
June 14, 1950

DEAR MR. BEATON:

I am enclosing herewith a cheque for \$100,000 being a special provincial grant to your municipality for the year 1950.

This \$100,000 is forwarded to your municipality as a special subsidy from a fund of the provincial government to aid municipalities where there are no mining developments, or where the mining industry causes more municipal expense than is recovered by municipal taxation.

Yours very truly,
(signed) L. M. Frost, Minister

I must underline and repeat that portion of the second paragraph where it is said, and I quote:

To aid municipalities where there are no mining developments, or where the mining industry causes more municipal expense than is recovered by municipal taxation.

It is plain that even as far back as June 14, 1950, which is 6 and a half years ago, the government of the province of Ontario officially recognized the straitened conditions under which Sudbury, and other similarly operating municipalities in the north, were forced to operate.

In fact, the province has not stopped at its \$100,000 grant of 1950. It has done a great deal more. That fundamental grant has been more than doubled since the first payment. And other grants have been made to cover specific expenditures.

I am quite sure that most hon. members in this House realize that there is

a limit to the bounties that may be expected from our senior government here.

And that is why I request, along with the Sudbury and district municipal association and also the council of the city of Sudbury, that we should be permitted to assume some of the responsibilities that go with responsible government.

By that remark I mean that, in a municipality that dates back to 1883, we should be permitted to seek locally some of the revenue we believe belongs to us. We believe that we have reached a ripe enough age, as a municipality, to take care of some of our problems, without having to come on bended knees to Queen's Park, on a begging mission, in search of alms.

And we believe that Queen's Park would probably think that it is about time that we started putting an end to the shuttle service that has seen our municipal representatives from certain communities of northern Ontario commuting to and from their city and town halls, and the offices of the hon. Minister of Municipal Affairs (Mr. Warrender), and that of the hon. Provincial Treasurer (Mr. Porter).

Just as it is quite understandable that our government here should feel a little piqued by the rebuffs it has had to meet from the senior government in Ottawa, I think that it should realize that our northern municipalities, that is, those in the position of Sudbury and others in the Sudbury basin, are old enough now to tax some of the properties and facilities of the mining industry. To paraphrase the letter of June 14, 1950: "The mining industry causes more municipal expense than is recovered by municipal taxation."

I must say that all of the foregoing makes sense with the people who are interested in the normal growth of our municipalities in the Sudbury basin. They feel, and no one can blame them, that the settlement, on a local basis, of many of the problems that otherwise have to be brought down piecemeal to

Toronto, would be conducive to better administrative results on both the municipal and provincial levels.

What we want to do is perfectly correct. What we hope to be permitted to do shall never, in my humble opinion, result in any regrets either on the part of the industry we hope to tax, or the provincial government, for their making the necessary adjustments in legislation to so enable us to function as a grown-up municipal organization.

Here is what we want to do, and as the representative in this House of an important slice of the population desirous of the above-mentioned changes, I must now read to hon. members the following letter I received just a few days ago. It is a letter from the deputy clerk of the city of Sudbury. With your permission, Mr. Speaker, I would like to read it.

Sudbury
February 20th, 1957

Mr. G. J. Monaghan, MPP
58 Riverside Drive
Sudbury, Ontario

DEAR MR. MONAGHAN:

The following resolution was passed by the Sudbury and district municipal association on February 9, 1957, and endorsed by council of the city of Sudbury on February 19, 1957:

Whereas the application of section 33A of The Assessment Act does not provide certain mining municipalities with a fair share of industrial revenue;

Therefore be it resolved that The Assessment Act be amended this session to provide:

1. That a mining municipality be permitted to assess the land and buildings, including structures upon the surface, plus certain machinery in the same manner as a manufacturing industry, and that they also be permitted to apply a 60 per cent. rate for business assessment. And that a copy of this resolution be forwarded to the Prime Minister, the Ministers of Municipal Affairs and The Department of Mines, and to the local members of Parliament.

For your consideration, please.

Yours very truly,
(signed) L. N. HOUCK,
Deputy Clerk

As a former member of council in Sudbury, and as a former president of the Sudbury and district municipal association, I can assure you, Mr. Speaker, that there is a profound feeling in the hearts of all the people who are interested in public affairs that the time for action has arrived.

There exists, as I was saying, a profound feeling that it is only right and proper that the many municipalities in the Sudbury basin be recognized by the province of Ontario, as being sufficiently mature to take care of our own business in the field of assessment.

I hope that the hon. members of this House who hail from southern constituencies realize that we in certain northern municipalities should be permitted, as their municipalities are, to tax, for municipal purposes, what we are fully convinced would be recognized as units subject to industrial assessment, if those structures and facilities were located in their own municipalities.

That is all we ask for, Mr. Speaker.

In conclusion, the "bugbear" is subsection 4 of section 33 of The Assessment Act, which reads:

(4) The buildings, plant and machinery in, on, or under mineral land, and used mainly for obtaining minerals from the ground, or storing the same, and concentrators and sampling plant, and, subject to subsection 7, the minerals in, on, or under such land shall not be assessable.

I would like to see this subsection completely deleted from the Act, because such is the desire of the people of my riding and, I know, the desire of the people of the riding of Nickel Belt.

May I again say that such a deletion would place the northern municipalities in the same position as the municipalities of southern Ontario with regard to industrial assessment.

I feel sure that, because what I have said today represents the opinion of the

vast majority of the people of the Sudbury basin, the government will make the necessary moves in our favour, if possible at this session of the Legislature, which will result in a better deal, which is so long overdue, for our area.

MR. G. GORDON (Brantford) : Mr. Speaker, just recently the hon. members of this House have received a number of petitions from an association requesting that beer licences be issued to grocers in the province of Ontario.

At the outset, I want it to be understood very clearly that I am not speaking in favour of licences for grocery stores, nor am I speaking against them. I want to give to the hon. members some facts as to just how this association was formed, how it came into being, and how it has operated over the last 18 months.

In the briefs which have been presented, many misleading and untrue statements are made, and, as I said, I believe it will be of interest to inform the hon. members as to these facts, so that they may decide whether to believe these statements or whether there are distortions in what is said.

At the beginning of May, 1954, the retail merchants' association, which has been in operation for the past 60 years and has done tremendously good work for the independent merchants and especially the food merchants — the grocery stores — became interested in finding out just what interest there would be among the trade for beer in grocery stores.

They sent out some 7,400 questionnaires, asking the trade whether they were in favour of beer in grocery stores. Of that 7,400, only 3,355 were returned; 4,145 were not interested enough to reply. In the brief presented recently from this new association, they say that 9,000 questionnaires were sent out, and that they came back 6 to 1 in favour of beer in grocery stores.

In June of last year, the retail merchants' association sent out 1,100 questionnaires asking, "Are you in favour of

selling beer in your stores?" Of that 1,100, only 303 were returned; only 303 were interested enough to reply, and there were 217 of that number in favour and 86 opposed.

There were 797 not interested; at least, if they were interested, as this association makes out, they certainly would have expressed their opinion.

Some time after the first survey which the grocers' association carried out, a Mr. S. J. Daley became interested in this survey, and called on the retail merchant's association, enquiring what they were going to do about it, and whether or not they were going ahead.

Finding that the association was not going ahead, and that there was not enough interest being taken in the trade in connection with it, that they were going to drop the matter, Mr. Daley then decided to take up where the retail merchants' association had left off.

It was then that this retail grocers' association was formed — afterwards called the "great retail grocers' association," which was registered in October, 1956. Salesmen were engaged, and it is very interesting to know how memberships were obtained and what was done to induce small merchants to join.

Some were told that the hon. Prime Minister (Mr. Frost) had requested the association to do this work, and that when sufficient members were signed up and petitions received, the government would introduce a bill at the fall session — that was last year — making it lawful to sell beer in the members' stores. Those who were not members, according to their plan, would be left out in the cold.

Here is the letter which was sent out to the members. It has no date and it is under the heading of the retail grocers' association, afterwards becoming the "great retail grocers' association," and it is a very interesting letter:

Enclosed is a petition for your customers who are eligible to sign. Copies similar to this are going to all grocery stores in Ontario who are members of

this association. In order to assist your local member of Parliament when this bill is presented during the fall session, it will be necessary for him to have as many names as possible to prove that public opinion is for the sale of beer in grocery stores.

I just comment on that passage—"in order to assist your local member of Parliament when this bill is presented"—actually telling the grocers that there was to be a bill presented. They knew there was to be a bill presented because that is what they were telling these merchants to whom they sold the memberships—

As you may know, our biggest opposition is the hotel owners' association and a small group of one of the churches. However, we believe that 90 per cent. of the general public is in favour of it, and we must have their names to prove it. Each grocer will be expected to return a minimum of 100 names, and as many more as it is possible to obtain. Just add extra sheets as you need them, and return the completed sheets to me before October 1st, unless you are notified before. Your co-operation in this is vital as we must prove that the people want to be allowed to buy beer in your store.

—the member store.

Also, the grocers had been told that the liquor commission had given its blessing, and the licence fee was to be \$10.

Only just recently, one salesman of the association, in calling on stores in one of our cities, displayed an empty beer can telling them, "This is how it will be sold. This is how you will be able to display it," and it was a good come-on to get the poor chap to sign up, because when he saw the product, he considered there would be good profit in it, and that is one of the ways they had of obtaining memberships.

A membership was sold to an Italian grocer in Toronto by a salesman of this great retail grocers' association and he,

not understanding English very well, was sold a membership and here is what it states on the membership card that he received:

I, John Doe, do hereby agree to join the great retail grocers' association incorporated on the understanding that a concentrated effort will be made to induce the Ontario government to allow the sale of beer in my grocery store. Organized effort will be made to give me the privilege of co-operative buying, and I will be eligible to use what the association may provide.

Membership fee \$25. This application to be submitted to the provincial government of Ontario.

Hon. members will notice the wording on that membership card: "Organized effort will be made to give me the privilege of co-operative buying." Why, Mr. Speaker, every merchant in every hamlet and every town in Ontario has the privilege of co-operative buying amongst themselves, that is what co-operative buying is. This association has no warehouse, no wholesale house to supply anyone. This "co-operative buying" just does not mean a thing.

I have just read the membership card which this Italian grocer received. He was given to understand that this card was his permit to sell beer, and when he got in touch with the salesman who sold it to him, asking when he was going to get his supply, he was told that, well, it had not come just yet but they had a supply of near beer. They were getting the good stuff very shortly and he would get his supply.

This poor chap became more suspicious than ever then, and he turned the matter over to the retail merchants' association, and upon doing that had his eyes opened, and the association is taking up his case.

To give an idea how irresponsible the statements of this association and its president are, may I say that I listened to a panel discussion over the radio on Sunday afternoon, February 24th. On

the panel was an Anglican priest, the secretary of the hotel keepers' association, the Toronto hotel association, and the moderator of the panel.

The secretary asked Mr. Daley a question as to why he had chosen the grocery stores as outlets for the sale of beer, why not retail druggists or some other outlet, to which he replied: "I am not interested in who sells it, you can sell it in the church if you want to."

That was the statement that he made at that time, I heard it myself, so it is not hearsay.

This seems to me to be in keeping with much of the contents of the brief which he has presented to hon. members of this House, and which contained many wild and untrue statements.

The statement that beer is sold in grocery stores in every country in the world, and that the percentage of drunkenness and alcoholism has been proven to be below that of Ontario, is not true. Beer is not sold in grocery stores in every country of the world, it is not sold in every state in the United States either.

The Bracken commission, of which we have all heard, made one of the most exhaustive research studies of any group at any time in Canada, but we do not find any proposal, as a result of their study, to sell beer in grocery stores.

On going over some of the petitions in this connection, I find that they are not reliable, there are many names without any addresses, and I find among them residents of Manitoba, Michigan and Ohio, just to mention a few who signed it. I suppose anyone who came along was asked to sign it, the more signatures, the more impressive I suppose the petition would be.

I believe that the grocers who have joined this association have done so because of the false promises that were made to them, and that they will get no value for the money that they have paid in. I believe that this association is nothing more or less than a promotion, and I believe that it should be investigated very carefully.

Mr. J. A. Maloney (Renfrew South) moves the adjournment of the debate.

Motion agreed to.

CITY OF HAMILTON

Mr. R. E. Elliott moves second reading of Bill No. 27, "An Act respecting the city of Hamilton."

Motion agreed to; second reading of the bill.

THE LABOUR RELATIONS ACT

Hon. C. Daley moves second reading of Bill No. 137, "An Act to amend The Labour Relations Act."

Motion agreed to; second reading of the bill.

THE INDUSTRIAL STANDARDS ACT

Hon. Mr. Daley moves second reading of Bill No. 138, "An Act to amend The Industrial Standards Act."

Motion agreed to; second reading of the bill.

THE DEPARTMENT OF LABOUR ACT

Hon. Mr. Daley moves second reading of Bill No. 140, "An Act to amend The Department of Labour Act."

Motion agreed to; second reading of the bill.

THE FACTORY, SHOP AND OFFICE BUILDING ACT

MR. D. C. MacDONALD (York South): Mr. Speaker, in light of the consultation, may I ask the hon. Prime Minister if the rumour is correct that this bill is now going to go back to the labour committee so that the people involved will have an opportunity to make representations?

HON. L. M. FROST (Prime Minister): What bill is that?

MR. MacDONALD: Order No. 69, Bill No. 139, "An Act to amend The Factory, Shop and Office Building Act."

HON. L. M. FROST: I may say I have received a host of telegrams, and perhaps the hon. member for York South has too, in relation to a section in this bill. I may tell the hon. member that I am not moved at all by the telegrams received.

MR. MacDONALD: Mr. Speaker, I wonder if the hon. Prime Minister would be moved by this, and I am not going to reiterate some of the protests that were raised in the committee itself—

HON. MR. FROST: Let us call that order and then the hon. member for York South may speak on it.

Hon. Mr. Daley moves second reading of Bill No. 139, "An Act to amend The Factory, Shop and Office Building Act."

HON. MR. FROST: Now that we have the bill formally before the House, perhaps the hon. member for York South might express his views on it.

MR. MacDONALD: There is a procedural point involved here first, Mr. Speaker, before we get around to the substance of the matter. The procedural point is that I do not think it is a good proposition to have bills brought into the House last Friday, given first reading, then a special motion passed so that they can go to the labour committee so hastily. They went to the labour committee on Monday. We received them in mimeographed form before they were printed, and we went through them. Some hon. members registered protests on our behalf before the committee on Monday; but what makes those protests now more valid is that the people involved have since sent in protests that they knew nothing about this.

HON. MR. FROST: Mr. Speaker, I am perfectly prepared to refer this bill back to the committee, which sits again on Monday. I give that undertaking now, but I would like to hear some of the views on this bill. If the hon. member for York South has some views on the bill, I would like to hear them because I want to get some background of the objections.

If my recollection of this section is wrong, the hon. Minister of Labour (Mr. Daley) and the hon. Attorney-General (Mr. Roberts), who are great authorities on the law in this matter, can correct me, and therefore what I say is subject to their correction.

My understanding of it is that in many municipalities, I suppose in most of them in the province, there have been restrictions in connection with store hours, passed on a mandatory basis under an old provision of the law which stated that the municipality must provide for certain things.

The provision was this, that if for instance the retail jewellers were to be closed at a certain time, that if two-thirds of them, I believe it was, although I may be wrong in that number —

MR. MacDONALD: Seventy - five per cent.

HON. MR. FROST: —that if that required proportion of them, whatever it may be, petition the council to close the retail stores at such and such an hour, that the council must pass such a by-law.

That was a provision that was put in the Act, if I remember correctly, it must be 45 years ago.

MR. MacDONALD: Sixty, even.

HON. MR. FROST: All right, 60 years ago.

I could tell an interesting story about that, but I will not do so at the moment.

In any event the provision was, and is at this moment, that the municipality

must pass such a by-law. As I see it, this is the problem to be met.

I am perfectly satisfied that the bill should be looked over, but I think there is a very definite problem to be met in relation to this law.

It was passed in, I was going to say the "gay nineties", but in any event we are faced with this situation in Ontario today, that we have municipalities which have outgrown their boundaries.

Take for instance the town of Orillia, that I used to know very well at one time. I remember quite well the operation of this law there at least 50 years ago, and the situation is this, that the town has spread out over its boundaries, and areas which were formerly rural but are now industrialized, are in the town of Orillia.

I am taking, only as an example, the commercial and residential sections outside of the old town of Orillia.

The town itself may have a by-law, which has been in force for all those years, preventing certain classes of merchants from operating. But when one steps over the imaginary town line—that is, it is imaginary to those of us who go there now and do not know exactly where the boundary line is—one finds that a merchant located just over the line can operate his store as he wishes.

The complaint is that this is an unfair situation, one that could not have been contemplated by the merchants who were in Orillia when that by-law was passed many years ago.

The effect of this section is that it removes the "must", and I am using the word "must" not in the sense that it is a "musty" law at all, but it removes the word "must" or "shall" and introduces the word "may", the effect of it being to give to the council of the town, and all other communities in Ontario, the power to deal with those problems as the council sees fit.

That is the situation, and it is up to the council then to deal with the problem

in the light of the Ontario of 1957, to deal with it as in its wisdom it sees fit.

When we go back to the old law of 60 years ago, may I point out to the hon. Leader of the Opposition (Mr. Oliver) that Sir Oliver Mowat must have been in power at that time, but certainly it was an example of the type of regimentation of the municipalities about which we hear so many complaints today. I believe there are many such complaints today, and would say that this is a step toward the return to the municipalities of the autonomy that the hon. Leader of the Opposition speaks about so eloquently.

I do not see any reason why we should sit in this Legislature, and pass some arbitrary arrangement to say that, because the merchants in Chapleau, or some such place, did something back so many years ago, they are bound by that, for by doing so conditions are created which militate against the growth of those communities.

The effect of this measure is to make this arrangement permissive, to give it to the municipalities and leave it with their good sense and judgment.

In my own town of Lindsay, what very often happens is that I do business with certain garages in the town and they are closed at a certain hour by an arrangement that was passed a number of years ago. Yet I simply motor over to the edge of the town where I find half-a-dozen places open, and I can buy gasoline there. Now why should not the council of the town of Lindsay deal with that problem?

I do not know what the answer is, but we are close to it. The answer may not be in planned Bowmanville, but it seems to me that we are dealing with that problem.

I am not taking any dogmatic stand on it. I suppose if we were to say we were going to stick to this bill, the probability is that it would pass. I think probably it would pass in this House.

MR. MacDONALD: If the hon. Prime Minister says so.

HON. MR. FROST: Frankly, I think this is a problem, and if hon. members think there are better solutions to it than the one suggested, then let us hear about them.

I would say I spoke to some colleagues of mine, and to the hon. Minister of Labour, and must admit that I am never impressed by getting a whole flock of telegrams which are written by the same person, which, ostensibly, have been sent around for people to sign. One gets that from time to time. I pay very little attention to them. Perhaps it changes my opinion the other way.

I have received a whole flock of telegrams this afternoon, which I have passed on to my colleagues here in order to keep my desk clear. However, I would say to the hon. member for York South, who raised the question, and to the hon. members of the House, that presently it appears that this matter should be sent back to the committee on labour.

I am not being dogmatic about it, but the time has come when we should face up to this problem, meet it and settle it. If it is not the proper thing to return it to the municipalities, then I would like to hear what the alternatives are.

Many of these telegrams come from the city of Toronto. I have here one which wants me to support it. I thought these were all against. In any event, I have the greatest respect for the council of the city of Toronto — for the mayor and council of this great city — and it would be far better to give to the council of the city of Toronto the right to deal with this thing as they see fit, than to legislate.

Why should we try to do something to legislate and to restrict hours in the city of Toronto, about which most of us can have but little idea of the conditions which have to be met? I do not want to do any injustice or any violence

to these people, but if we let the city of Toronto deal with the matter we are not saying that they must revoke the by-law. We are merely giving them the power to do so.

If the city of Toronto, in its wisdom, says, "Well, we are not going to meet these garage people at all unless they come to us with a petition signed by three-quarters of them," that is their business; let them do it. If in their wisdom, they say, "It is our job to legislate for the people of this city, and we are not going to be bound by anything, and we think it is in the interests of the city that this should be altered and changed," then they have the power to do so.

That is my understanding of this section. I thought that was the principle of it. I have not read the section. If I am wrong, then please correct me.

It would seem to me that the sensible thing for this Legislature to do is to give the power to the municipalities to deal with the problem as they see fit.

There is no way of which I know that this Legislature can sit and try to straighten out a "schmozzle" which has been created by the application of a law which, the hon member says, is 60 years old. I think the best thing to do is to trust to the unfailing good sense of our people, and return it to the municipalities, and let them deal with it as they see fit.

MR. MacDONALD: Mr. Speaker, let me begin by saying I have no intention of being dogmatic about it either, because this is a very complex situation, and its complexities are made greater by changing shopping habits and so on in the modern world in which we are living.

But it seems to me that, after something has been on the books for a period of 60 years, it may not be a proper procedure just to sort of change it overnight with the kind of cursory attention it has had up to now, and to dress it all up in the garb of handing it back to autonomous and all-wise local authori-

ties—that was a wonderful political speech, if I may draw the attention of the House to it.

But let us take a look at some of the significance, as I am thinking out loud, in terms of a new problem which has suddenly been dropped in our lap.

One thing in which all political parties are on safe common ground is to pay "lip service" to the lot of the small business man. He is the backbone of this economy.

If this is removed, what it means is that 75 per cent. of the business men in the community, who may be the smaller ones, say they want to maintain the closing hours on a sort of limited scale, because if they are unlimited they have to stay open that much longer. To avoid exploitation of their own family, if it is a one-family shop, or to avoid hiring additional help because it adds to their costs, they are going to drop out of business.

These small business men are being driven out of business if we leave closing hours on a permissive basis rather than a mandatory basis.

It simply means that a few of the larger stores—the chain stores—will have an increasing influence on our municipalities. I am not impugning the motives of our municipalities, but municipalities do want to get the chain stores, and if we have unlimited hours—

HON. MR. FROST: Might I ask the hon. member a question? I want to get this thing straightened out in my own thinking. If the municipality wants to ask the merchants for a 75 per cent. petition, before the repeal of, or the altering of, the by-law, that is their right.

Where this bill comes in, it does not make that mandatory. It leaves that to the judgment of the municipality. I think that is the point at issue. Should we trust the municipalities by giving them the right to deal with it as they feel fit? The municipality could say, if it wanted to: "Well, we require 100 per cent. agreement before we change them."

I do not know of any way that we can deal with these problems other than at that lower level. That is the issue. I do not want to hurt anybody.

MR. MacDONALD: But for 60 years, this government and preceding governments have seen fit not to trust the municipalities with this.

HON. MR. FROST: This government is different.

MR. MacDONALD: I am almost persuaded that this is the case now.

But let us get back to that section. This government now proposes to make permissive any action requested by 75 per cent. of the merchants. I suggest to the hon. Prime Minister that if this mandatory clause it taken out, we are going to have unlimited hours, and what we are going to do is ring the death knell of the small business men and shop keepers throughout the province of Ontario—those who are now being driven to the wall in trying to cope with the competitive position of the big chain stores.

Let me illustrate this with respect to one particular group which, for some reason or other, got a special category in this Act, namely, the retail gas distributors. Most of our retail gas distributors are small operators who get their leases from big oil companies. They are one of the most exploited of groups, and before this mandatory clause was in force, my information is that the number of annual failures was something over 50 per cent., and after the hours were restricted, it was reduced to something like 14 per cent.

If they have unlimited hours, because they are lessees they become the victims of these highly competitive oil companies. They are forced into a dog-eat-dog competition and the result is we will restore the same economic insecurity that existed earlier.

This is only an illustration, in the gasoline retail field, of what is a general problem. I suggest to the hon. Prime

Minister that while I am not being dogmatic about this, I fear there are going to be disastrous consequences resulting from this move—very likely to the detriment of the small business man, of which the government is supposed to be the champion.

Therefore, as the hon. Prime Minister has indicated, we should permit those who are going to be directly affected by this, to come and at least make their representations to the committee next Monday, if that is the schedule for the meetings.

MR. G. GORDON (Brantford): Mr. Speaker, I think I know a little about early closing and the ramifications of what has taken place over the past few years. About 1943, I headed, and was the first to sign, in the city of Brantford, a petition for early closing. Those were the days when we kept open until 11 o'clock Saturday night and it was said that it was impossible to have a by-law whereby we could close at 6 o'clock.

The township council sent in a protest, saying that the farmers would not be able to buy their goods because Saturday night was the time they shopped. At any rate, the petition being signed by 75 per cent., we got early closing.

It went along very well until two big supermarkets located outside of the city, and they immediately stayed open until 9 o'clock on Friday nights. We had no jurisdiction over the stores in the township, and we, in the city of Brantford, suffered very severely with these large stores staying open on Friday nights.

As hon. members know, these stores have a great give-away programme—television sets and even automobiles—all kinds of inducements to go out and shop there, and they even have a little circus for the kiddies while the mother is shopping, which is something that the ordinary merchant cannot begin to cope with.

However, we had an annexation in Brantford and these stores came into the city, and now they have to abide by the by-laws of the city which means

they close at 7 o'clock on Friday nights. They would love to have this opportunity to stay open until 9 o'clock, which would drive many of the small merchants out of business.

HON. MR. FROST: Mr. Speaker, I would point out to the hon. member for Brantford that this does not give them the opportunity to stay open, it gives the municipal council the power to deal with the problem. If the municipal council did nothing it would remain the way it is.

I want to make that clear to the hon. members. What this does is give to the city of Brantford, for example, the power to regulate the hours of closing and would give them the right to change these old by-laws. That is the purpose of it. It would not mean that, by what we do here, the stores in Brantford are forced to stay open. It would mean that the old by-laws would remain in effect until they were altered at the wisdom of the council.

The point is whether or not we want to give that power to the municipalities. There are refinements that could be introduced, and I am perfectly prepared to have the committee consider this matter. One of the refinements might be this, that hereafter when petitions are presented to the council they may act on them and remove the word "shall" for cases in the future.

I personally doubt whether that would meet the situation, but we are meeting now with problems in municipalities due to the rigidity of these old by-laws.

The purpose of this is simply to give to the municipality the power to deal with the problem, and to take away these restrictions. That is what it means.

MR. MacDONALD: Mr. Speaker, may I ask why, at this juncture, after 60 years, is the government bringing this in? At whose instigation is it being brought in?

HON. MR. DALEY: We have had a great many petitions from the retail

merchants' association; we had a petition, a very large one representing a large group of business, the professional women, I think —

HON. MR. FROST: Do not bring them in if they are not the ones.

HON. MR. DALEY: Well, it is a women's organization.

Today the trend of shopping is changing, there is no doubt about that. We see people in these big shopping centres on Thursday and Friday nights, and the stores close earlier on Saturday night than on Friday.

In our municipality there is a boundary line which is hardly discernible now because it is built up; it used to be rural but now it is all city, and the big stores came out there and were not restricted by the by-law of the city where all the merchants had to be closed at 6 o'clock.

I do not know whether those merchants inside the city want to be open or not, but I would presume likely they would like to be open Friday nights if these other people are going to be open. They would at least have a chance to get the business.

The original request was from the retail merchants' association for the government to enact legislation that would cover everybody across the province. I quite agree that we have to meet all types of municipalities, cities and villages, where certain customs and habits of doing business have been established. In some cases they do not need a by-law at all, they simply go along in their old established way.

I must say that I did not consider the gasoline operator to the extent that probably I should have. I feel, for business generally, that it would be a good thing to permit municipalities to have a say as to whether or not they want a closing hour. We are now giving them that opportunity.

I can understand that the situation of the gasoline operators might be some-

what different. If they were like the other people in business, the small merchants who own their own business, then I would not be concerned about them at all. However they are lessees, and they have an investment in these gasoline stations, and they could probably make a profit by keeping open, hiring help and one thing and another for a reasonable number of hours. But, as I know some people are fearful they will be, if they are required to keep open 24 hours a day, and have extra help and the like, and all those other things that go into such an operation, the business might be unprofitable.

HON. MR. FROST: Mr. Speaker, I do not want this thing to go astray. The fact that this Act is passed does not give these stations the right to stay open; the municipality has to act. Just so long as we understand that point.

MR. MacDONALD: We understand that.

HON. MR. DALEY: I am sure the hon. member does. There is that fear and I do not agree with it. I do not think that there will be any change in connection with this. But the fear is that the large oil companies will come in and bear down and say, "You are going to stay open" and bring pressure on the councils to rescind existing by-laws or to refuse to enact new ones.

MR. MacDONALD: The record shows that, before the gasoline retailers had early closing, there were 56 per cent. failures in a year. In other words, the lessees were transients in the business.

HON. MR. DALEY: Because at that time it was dog-eat-dog in the gasoline business, and some of them could not survive. But there are agreements between gasoline operators, one sees it all around Toronto; one station will be open one Sunday and another station will be open the following Sun-

day, which is a very desirable thing for the public.

If they work that way I do not think the oil companies would be concerned with it. A system has been established and I do not think companies like Imperial, British American, or Shell would want a man to do something that they knew positively would put him out of business.

MR. MacDONALD: They do not care "two hoots", they have a great turnover among their lessees. They kick them out in the most ruthless fashion.

HON. MR. DALEY: At any rate, doing this would not enable the oil company to say, "You are going to stay open 24 hours" unless they were able to persuade the council to repeal the Act and I do not think they would do that.

Perhaps in the north country where there is a great number of tourists and the gasoline stations should be open, perhaps there would be some pressure put on the lessees.

But the principle of carrying on the gasoline business today has settled into the way it has been done, and I do not think hon. members will find any gasoline companies trying to persuade councils, and I do not think any council would listen to them.

Taking the gasoline companies out of the picture, the balance of it is fine, and I am not fearful that the oil companies would take advantage of these people because I think they are anxious that their people survive and do a good job for them.

HON. MR. FROST: Mr. Speaker, I would make this suggestion:

First of all, the House must recognize that this provision which comes under provincial administration has to be changed, it simply is not capable of working. The government cannot sit and say what is going to take place in Leamington or some other place. It has to go back to the municipalities.

Subject to this, I am going to move that it be referred back to the labour committee. If the hon. members do not trust the municipal councils — I do not say that in a way that is offensive at all, but if hon. members feel that in giving this power to the municipalities they cannot rely on them to act wisely, then I think it is up to the labour committee to find safeguards that will permit municipal autonomy, because that is the way it must be. It is like giving India self-rule, we are going to move out some time.

MR. MacDONALD: Aspiring to the role of Attlee.

HON. MR. FROST: That is right, we are going to move out. The combined wisdom of the hon. members of the opposition must find ways and means of protecting the people, people who are covered by this Act, in some way that will safeguard them from the indiscretions of the municipalities. That is one of the problems they can ponder over as they sit in church on Sunday.

Mr. Speaker, I move that this bill be referred back to the labour committee for consideration on Monday, and there this matter can be determined. The hon. members in the opposition may object to the principle of this being given a second reading, and I would be satisfied to move it back before we agree to the principle of it, so our hands will be free.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I want to say a word or two on this. The last remark of the hon. Prime Minister seems to suggest something worthwhile in that he said the labour committee would have to devise other safeguards. That is the problem they have because I say that what the government proposes to do is not the answer to this problem by any means.

However, I am not prepared to say what the answer is, but I suggest to the House that what we are doing in this

measure is opening the door to a breakdown of the early closing-hour practice that has been built up by experience over the years. There is no question about that.

The hon. Minister of Labour said a few minutes ago that his city of St. Catharines has outgrown its boundaries, and that outside the city of St. Catharines there are large stores and gasoline stations and other merchandising units. If we pass this legislation and leave the discretion to the city of St. Catharines, we are immediately going to find agitation on the part of some merchants at least—and I do not know how many there will be—that they also stay open because merchandising units outside the city stay open.

They will want to stay open in order that they might compete, in a measure at least, with large stores outside the bounds of St. Catharines.

If we have that tendency develop—and I am sure it will develop—we are going to break down all that has been built up over the years. It would seem to me that the reasonable suggestion may be—and I do not know how practical it is—but surely there would be some way of bringing those people in, who are outside the immediate boundaries of the municipality. I do not know whether there is or not, but surely if it can be accomplished, it would be a much more effective answer than allowing an agitation to rise up within the municipality and allowing them to say: "We are going to stay open to see that the others outside will have some competition." That is what we have been getting away from, over the last 20 years, and we are going back to it.

HON. MR. FROST: Mr. Speaker, may I say to the hon. Leader of the Opposition that I was very interested in his address in this House and on the radio, and there were some of the hon. members of his group who have talked eloquently about municipal autonomy, and that we have to return the government to the people. May I point out that the hon. Leader of the Opposition

now says he does not know what should be done.

MR. OLIVER: That is right, and neither does the hon. Prime Minister.

HON. MR. FROST: Yes, I do. Trust the municipalities. We stand for the return of autonomy to the people. Having driven the opposition into the position where they talk all sorts of languages and everything else, where they are divided, and where they are like those in the cave of Abdullah where all the dissatisfied and discontented people got together —

MR. MacDONALD: Face up to the issue.

HON. MR. FROST: I would say that I am keeping an open mind, and will ponder over this, the same as the hon. members of the opposition. I had a solution which I thought was logical, and which indeed follows the eloquent pleas I have heard from across the way, but I am content to return this to the labour committee and there let it be considered without any rancour or feeling, and let it be considered in good sense and on its merits.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, is the hon. Prime Minister to have the last word in this?

HON. MR. FROST: The hon. member can have the last word.

MR. T. D. THOMAS: Thank you. Mr. Speaker, we have heard a lot this afternoon about municipal autonomy, and I am all for it. I think far too much has been taken away from the municipalities. But why should we pick on this one thing?

This afternoon the hon. Prime Minister mentioned he had received a great number of telegrams from the gasoline operators, and said that he does not take any notice of them. That was very pleasing to hear. That points up that

we are in a much better position to retain the legislation as it is, without amendment, than the people in the local governments who are subjected to local pressures.

MR. LAVERGNE: The hon. member is entirely wrong.

MR. T. D. THOMAS: I do not think so. We have heard about the pressure that is likely to come from the oil companies, and I am quite sure we will get that, and from the big chain stores, and I think that on this occasion we have to give some protection to the little people — the corner grocery store proprietors.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, may I say that tomorrow we have the estimates of The Department of Planning and Development. I had mentioned The Department of Mines for tomorrow, but it will be The Department of Planning and Development, and I have already advised the hon. Leader of the Opposition and the hon. member for York South.

After that we will proceed with any of these debates—the throne debate, the report on toll roads and highway financing, the matter of smoke control, the budget, or any bill on the order paper. I may call some of the opposition motions, too.

MR. OLIVER: I just want to say in all seriousness, if the hon. Prime Minister appreciates the difficulties of an opposition in preparing to meet these debates as they come up, he should be a little more definite on what he is going to bring up tomorrow. He has just finished saying he is going to bring up all debates and some motions on the order paper—all the bills.

Surely the hon. Prime Minister is not in a position where he is unaware of just what sort of schedule to follow tomorrow. I think the opposition are entitled to a more definite answer.

HON. MR. FROST: Mr. Speaker, I will work it this way, and I want to be most obliging and helpful. The reason I called those things is that if hon. members are not able to proceed with their budget speeches, then I will refer to one of the other orders, and if they are not ready on that I will call another order.

I can assure the hon. Leader of the Opposition I will not proceed with any-

thing for which he is not prepared. If the hon. members here want anything postponed, I will be very glad to do it. I will not offend against anything.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.10 of the clock p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, March 14, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Thursday, March 14, 1957

Mining Act, bill to amend, Mr. Kelly, first reading	1085
Westerly boundary of the township of Faraday, bill respecting, Mr. Mapledoram, first reading	1085
Game and Fisheries Act, bill to amend, Mr. Mapledoram, first reading	1085
Public Vehicles Act, bill to amend, Mr. Allan, first reading	1086
Public Commercial Vehicles Act, bill to amend, Mr. Allan, first reading	1086
Housing Development Act, bill to amend, Mr. Nickle, first reading	1086
Child Welfare Act, 1954, bill to amend, Mr. Cecile, first reading	1086
Change of Name Act, bill to amend, Mr. Roberts, first reading	1087
Surrogate Courts Act, bill to amend, Mr. Roberts, first reading	1087
County Judges Act, bill to amend, Mr. Roberts, first reading	1087
Presenting reports, Mr. Dunbar	1088
Estimates, Department of Planning and Development, Mr. Nickle	1090
Recess, 6.00 o'clock	1134

LEGISLATURE OF ONTARIO

Speaker : Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, MARCH 14, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

THE MINING ACT

Hon. P. T. Kelly moves first reading of bill intituled, "An Act to amend The Mining Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this deals with part 8 of The Mining Act which contains the rules which apply to the operating of mines. It is re-enacted in order to bring these rules into line with modern safety rules and practice, and in addition, the rules have been re-arranged to get a more appropriate sequence.

WESTERLY BOUNDARY OF FARADAY

Hon. C. Mapledoram moves first reading of bill intituled, "An Act respecting part of the westerly boundary of the township of Faraday."

Motion agreed to; first reading of the bill.

He said: This bill is to establish the western limit of the township of Faraday and close up certain road allowances in relation to the new improvement district which is going into the township of Faraday.

THE GAME AND FISHERIES ACT

Hon. Mr. Mapledoram moves first reading of bill intituled, "An Act to amend The Game and Fisheries Act."

Motion agreed to; first reading of the bill.

He said: Section 1: section 24a, as re-enacted, is designed to make more uniform the practice with respect to township licences to hunt pheasants, rabbits and foxes.

Section 2: The section is brought into line with section 24a (section 1 of this bill). No change in principle.

Section 3: These provisions are designed to make lawful the common practice of a member of a deer-hunting party or camp taking or killing a deer under the licence of another member of the party or camp.

Sections 4 and 5: The protection of the Act is extended to hawks and owls, except where they are causing damage to property. The complete protection already given to eagles and ospreys is extended to vultures.

Section 6: The effect of the repeal of section 41 of the Act will be to remove the special rights heretofore afforded persons who put, breed or import game on their own lands as to hunting such game.

Hereafter such persons must comply with the licence, bag limit and open-season provisions of the Act in the same way as all other persons.

Section 7: The proposed section 58a is new. It is self-explanatory.

Section 8: The cross-references in section 61 of the Act are corrected.

Section 9, subsection 1: The clause repealed is obsolete by reason of section 1 of this bill.

Section 9, subsection 2: This will authorize the making of a regulation on the matters mentioned.

THE PUBLIC VEHICLES ACT

Hon. J. N. Allan moves first reading of bill intituled, "An Act to amend The Public Vehicles Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this amendment is intended to make clear that it is necessary to have a licence to operate a public vehicle, and that the board of transport may grant or refuse such licence.

THE PUBLIC COMMERCIAL VEHICLES ACT

Hon. Mr. Allan moves first reading of bill intituled, "An Act to amend The Public Commercial Vehicles Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this amendment is made to amend the section which now gives the Ontario transport board the power to grant a certificate of public necessity and convenience,

but it does not make clear that there is an alternative. This amendment is made to provide the alternative and to give to the board the authority to refuse.

THE HOUSING DEVELOPMENT ACT

Hon. W. M. Nickle moves first reading of bill intituled, "An Act to amend The Housing Development Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this is an amendment to sections 7, 8 and 10 of The Housing Development Act. At present, moneys required under the Act are paid out of the consolidated revenue fund. This bill provides that such moneys, except as required for purchases of debentures of, and advances to, Housing Corporation Limited, shall be paid out of moneys appropriated by the Legislature. It will also enable the hon. Provincial Treasurer to make advances from the consolidated revenue fund to Housing Corporation Limited.

THE CHILD WELFARE ACT

Hon. L. P. Cecile moves first reading of bill intituled, "An Act to amend The Child Welfare Act, 1954."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill includes a number of changes in principle and several amendments of a minor nature.

Most important, perhaps, is the increase in the provincial reimbursement of municipalities from 25 to 40 per cent. as provided in section 8, subsection 2.

The increase applies to the cost of maintaining wards of children's aid societies and the cost of maintaining children receiving temporary care from the societies at the request of municipalities.

I might add, Mr. Speaker, that the municipalities will receive the additional 15 per cent. from the province commencing with the next fiscal year. This will mean reimbursement at the new rate of 40 per cent. of the expenditures already made by the municipalities for these purposes during the calendar year 1956.

The amendment will relieve the municipalities of expenditures for child welfare totalling an estimated \$932,000 annually.

The other notable changes in principle are:

1. A new provision to clarify that a child taken into care of a society, with the written consent of the parent or person in charge of the child, is not considered to be an apprehended child. This will enable societies to use their protective services more effectively.

2. The powers of a judge under part II of the Act are extended:

(a) To permit him to place a child with any person when he makes an order of wardship and adjourns the case *sine die*. At present he may return the child only to the parent or to the person in whose charge the child was, when apprehended;

(b) To permit him to vary an order of maintenance made against a parent if the circumstances of the parent change; and

(c) To permit him to make an order regarding the access of persons to children involved in proceedings under the Act.

3. The requirement that the registrar-general notify a children's aid society of any birth registered in such a manner as to suggest that the parents are unmarried or unknown, is repealed. The services of children's aid societies to unmarried parents are now believed to be sufficiently established and understood to discontinue this procedure without interfering with the intent and administration of the statute.

These amendments and others which are self-explanatory are for the most part based on the experience with the Act to date since it was consolidated in 1954, and on recommendations submitted by organizations such as the association of children's aid societies, the association of juvenile and family court judges, and the Ontario welfare officers' association.

THE CHANGE OF NAME ACT

Hon. A. K. Roberts moves first reading of bill intituled, "An Act to amend The Change of Name Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill, when enacted, will make it possible for a judge to waive certain publications which might be embarrassing or prejudicial to an individual who has applied for a change of name.

THE SURROGATE COURTS ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Surrogate Courts Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for the extension of surrogate court judges and the use of surrogate court judges in this province, both in counties and districts, and for the appointment of junior surrogate court judges. All these appointments are provincial appointments, and it is hoped that in this way it will be able to take care of some of the excess work that may exist in certain centres of this particular field.

THE COUNTY JUDGES ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The County Judges Act."

Motion agreed to; first reading of the bill.

He said: This bill is introduced, really, as a corollary of the bill I introduced just a moment ago.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. The 23rd Annual Report of The Department of Municipal Affairs for the year ended December 31, 1956.

2. Second Annual Report of the Ontario highways transport board for the province for the year ended December 31, 1956.

MR. SPEAKER: Before the orders of the day I would like to welcome 4 groups of students: from Conant public school, Oshawa; Bedford Park public school, Toronto; Etobicoke collegiate institute; and Forest Hill junior high school, who are here today to view the proceedings of this House.

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, before the orders of the day I rise to draw to the attention of this House two very poignant sacrifices in the metropolitan area in the last 24 hours, between the hours of 2 and 3 o'clock.

As a result of two separate accidents, no less than 3 young children, two little girls of the same family, aged 2 and 5; and a little boy of another family, aged 4, were the victims of our highway traffic.

One of the accidents occurred toward the east end of the metropolitan area, St. Clair Avenue East, in the riding of York East. The child had been playing on the sidewalk and ran out between two parked cars to meet death.

The other accident occurred at the corner of Keele and Hiram Streets, at the west end of the area—the High Park riding—where two little girls were killed under the wheels of a truck. Although the driver may have been quite skilled at driving, nevertheless he has been driving

for the past 15 years without a driving licence.

These accidents bring to 30 the number of deaths in the first two-and-a-half months of this year in the metropolitan area, and if that keeps up it is going to be the worst record ever for deaths.

I appeal, first of all, to drivers to think about these young children who cannot be expected to anticipate danger at all times, and whose actions at times appear to be almost involuntary. Also I particularly stress, at this time of the year, with all the mud of spring, particularly in congested areas, there is very little place for children to play.

I would also draw the attention of parents to the ever-increasing need of supervision over these young children at all times, and in all places, until they are old enough to be left on their own.

MR. A. H. COWLING (High Park): Mr. Speaker, may I just emphasize the point the hon. Attorney-General has so well put here today. I would like to say that I was personally acquainted with the family of these youngsters in my riding, and very familiar with the section. I do not think we can over-emphasize the importance of adults and parents accepting full responsibility for the safety of our children.

I like that saying, "Children are not careless, they are carefree," and it is a fact. It is up to hon. members as adults—it is up to us as legislators—to impress upon the adults in our ridings the need for education and for accepting the responsibility of teaching the children to be careful.

But above all, let us all take the responsibility of adults, to be doubly careful in the vicinity of children.

MR. A. WREN (Kenora): Before the orders of the day I would like to direct a question to the hon. member for Beaches (Mr. Collings) as liquor commissioner.

Last evening, in the *Toronto Daily Star*, the following article appeared, headed:

CERTIFICATE TO REPLACE
LIQUOR PERMIT BOOK

Liquor permit books are going to be replaced in Ontario by a certificate, it was learned at Queen's Park today. The certificate will cost \$1 and will bear the signature of the holder. At any time, the holder can be asked to show his certificate and his signature. The new certificate will come into force on April 1. No record of purchases will be made.

For some time, the liquor control board has been considering the change, and has been studying the experience of other jurisdictions where the certificate has replaced the cumbersome permit book. The commission has finally decided the new certificate will do away with unnecessary clerical and bookkeeping work.

HON. L. M. FROST (Prime Minister): May I ask the hon. member, is this a question he is directing to the hon. member?

MR. WREN: Yes.

HON. MR. FROST: It is not a comment.

MR. WREN: Very well, then the question is this:

In the light of the high profits and anticipated higher profits of the commission with the extensive price increases in the past few months, I would like to know if the commission considers the \$1 fee necessary? If so, I hope it might not be regarded as a "Frost bite."

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, regarding any change in the permit book, yes, that has been talked about, but when the time comes for any change it will be brought

to and decided by this House, and not by me alone. I answer for the liquor control board.

MR. WREN: Then the answer is that this statement in the press is not correct.

HON. MR. DUNBAR: I did not say anything of the kind. I said we contemplate some change, and when that change is made it will be brought before this House and decided on by the hon. members.

HON. MR. FROST: Before the orders of the day, I should like to file the correspondence requested by the hon. Leader of the Opposition (Mr. Oliver) the other day, in relation to the farm products marketing reference.

The first letter is from the hon. Attorney-General (Mr. Roberts), to the federal hon. Minister of Justice, dated February 25th last.

The next is an acknowledgement of that letter under date of February 28th.

Then, there is a letter from the hon. Attorney-General to the hon. Minister of Justice under date of March 10th.

May I, in tabling this correspondence, implore the assistance of the hon. Leader of the Opposition to the passage of certain legislation mentioned in this correspondence before the House at Ottawa dissolves?

MR. OLIVER: If I agree with what is in the correspondence, I will co-operate.

HON. MR. FROST: If the House dissolves before this legislation is passed, there will be further delay.

MR. OLIVER: Why did the hon. Prime Minister not get this letter there a little earlier? The hon. Prime Minister had plenty of time.

HON. MR. FROST: There is still plenty of time to have it passed. Parliament is still in session.

MR. OLIVER: The hon. Prime Minister waits until the last minute.

HON. MR. FROST: Mr. Speaker, I was about to ask the hon. Leader of the Opposition if he would use his great influence at Ottawa to effect the passage of this reference.

The other matter I would like to table, Mr. Speaker, are the petitions mentioned yesterday by the hon. Minister of Labour (Mr. Daley) that were filed, or given to us, in relation to the amendments in Bill No. 139 yesterday.

Mr. Speaker, there was some careless reference to a woman's organization. I hasten, in all humility, to correct that reference by saying that the organization that filed this brief is the Ontario provincial council of women.

I would point out, and I hope this will satisfy the hon. member for York South (Mr. MacDonald) that there was no ulterior or obscure motive in bringing forward this legislation. The brief reads, "The provincial council of women." As perhaps hon. members know, it is a non-political organization, and is outside the field of party politics. It can claim to be representative of the women of this province in many varieties of activities in which they now engage:

We believe that for every phase of public affairs there is a woman's point of view.

May I urge that upon the member for York South.

We further believe that, in matters of legislation, the woman's point of view may be in danger of being forgotten or neglected. That briefly explains why we are here today. May I first read a resolution sent to our entire membership representing 28,000 women in Ontario for study.

I may say that I was rather interested in reading the brief, and I will just give one sentence here.

It is more than a mere matter of mere convenience that retail stores

should keep hours that will allow women, their best customers, plenty of time to do their shopping.

Mr. Speaker, I table this for the consideration of the hon. members of this House, and particularly the hon. member for York South.

I may say with all humility and apologies that the legislation before the House is not in complete compliance with the request of the women, but at least it is a respectful acknowledgment to them of the request that they had made.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF PLANNING AND DEVELOPMENT

HON. W. M. NICKLE (Minister of Planning and Development): Mr. Chairman, again it is my privilege to present the estimates for this branch of government this year.

For the purpose of the record, I would like to indicate that I became Minister of this department in 1955. At that time some of the branches of my own department were scattered in different locations, from what I might call the Bay Street area. We are now under the one roof and located at 454 University Avenue, in this great city of Toronto.

My department is expanding at the moment. I will not say we are overcrowded, but I will go so far as to indicate to the hon. Minister of Public Works (Mr. Griesinger) who sits in front of me, that we have no space to

spare, and perhaps in the future if there is new accommodation to be considered, the hon. Minister will think of me in connection with further development.

One of the advantages I have is an excellent staff, well trained, extremely loyal, bonded with a high sincerity of purpose. I inherited these fine people in my department of government from namely: the hon. Mr. Porter, the hon. Mr. Welch, the hon. Mr. Griesinger, and the hon. Mr. Warrender.

Mr. Chairman, it might be of interest to you to know that in my branch of government there are 5 divisions: housing, trade and industry, planning, conservation and civil defence. It may be that this House will prorogue in the next 3 or 4 weeks, but certainly not in the too far distant future.

At this time, I would like to ask all the hon. members of this assembly, when they return to their ridings, if they would be good enough on my behalf—and indeed on behalf of the government of Ontario—to indicate to all the municipal corporations that go to make up their ridings—the chambers of commerce and any other organization that is interested in immigration, trade and industry or housing—that as far as my department is concerned, we are prepared, on request, to send our best advisors, our most highly trained personnel, into any area.

We are prepared to be of assistance, to give to the areas which would like to have a formal plan, the benefit of the experience we have gained through the years.

It should be pointed out that the activities of planning boards throughout the province continue to increase in volume and in quality. As of December 31, 1956, there were 248 planning boards, 43 of which were joint areas, containing in all 328 municipalities. Last year there were 33 committees of adjustments that dealt with 1,381 applications.

Figures now available indicate that more than 14,000 acres of plans of subdivision were approved for registration

during the first 9 months of 1956. Included in this subdivided acreage were more than 37,000 lots intended for single family dwellings, over 900 for two family dwellings, and about 150 acres were intended for multiple family structures.

Plans of subdivision approved in 1956 total 859.

On request, as I have indicated, we are prepared to send our people into any area to assist those in authority to prepare a blueprint in connection with their own programme concerning plans of subdivisions.

In the very near future we are going to make an over all pilot study of a large area in relation to industry, housing, and recreation areas. The one we have chosen is the St. Lawrence valley.

I think it might be of interest to hon. members to know that there is a townsite committee presided over by my colleague, the hon. Mr. Warrender (Minister of Public Works); with the hon. Mr. Kelly (Minister of Mines), the hon. Mr. Mapledoram (Minister of Lands and Forests); and myself as members.

The work of this committee will be to determine the most appropriate locations and designs and other required facts.

There are 3 townsites which have been established: Manitouswadge, Elliott Lake and Cardiff.

I would like to make this fact known to the House that, some two or three weeks ago Mr. N. R. Crump, the president of the Canadian Pacific Railways, was speaking at the annual dinner of the Kingston chamber of commerce, and at that time he made the observation that he thought, as a result of his travels, he knew something about townsites and the development of townsites.

Mr. Crump went on to express the view that, in his opinion, there was no townsite programme any more thorough, or better looking, than that of the province of Ontario.

One of the problems that we have for consideration today is the question of housing. In the last 10 years, 377,000 dwelling units have been constructed in the province of Ontario, with accommodation for about 1.5 million of our people. There are 27 land assembly projects, which consist of approximately 6,216 lots. As of the end of 1956, there were 26 housing authorities. They now administer 1,997 rental housing units. As of 1957 there will be 33 rental housing projects, and when the units presently under construction are completed, they will comprise approximately 4,430 units housing 25,000 of our people.

In the fiscal year 1957-1958 we will invest \$5.9 million, representing the provincial share in connection with federal-provincial land assembly and rental housing schemes.

In 1956, there were 130,000 houses built in Canada—52,000 in the province of Ontario—and 40 per cent. of all houses built in Canada were built in this province.

One of the serious situations that we have already found is this: that by reason of the new credit restrictions, housing construction will drop in 1957, as far as this province is concerned, between 20 and 30 per cent.

While I am on the subject of low-cost rental housing, I would like to say a few words about the increase in interest rates on capital expenditures. Not only does that increase have the effect of raising the price to prospective home owners, but it raises the monthly charge to the tenants in our public housing projects.

As hon. members know, the federal government contributes 75 per cent. of the over-all investment. They have just advised me of an increase in their federal-provincial interest rate to an all-time high on their part of the investment—that is, to 4.5 per cent., effective January 22, 1957.

That increased interest rate is going to have an effect on the rental. The would-be tenant now needs more money in order to get one of these houses as the result of the increased federal interest

rate. The province of Ontario has not raised its interest rate at this time with the hope of keeping down the rent.

When one thinks of housing, one thinks of immigration at the very same time, because it seems to me they go hand in hand. Last summer it was my very great opportunity to be able to talk with the responsible ambassadors to the governments of France, West Germany and Holland. At that time—I want to go on record as saying, and I think the hon. Leader of the Opposition (Mr. Oliver) and his colleagues will agree with this comment—the Canadian ambassadors representing this great country in France, Germany and Holland extended complete and top-level co-operation to me in reference to the subjects that I was most interested to discuss, that is to say, to try to interest industrial capital in the province of Ontario, and to get immigrants from those countries.

To men like the Canadian ambassador to France, Mr. J. Desy; the Canadian ambassador to Germany, Mr. C. A. S. Ritchie; and to Mr. Thomas A. Stone, the Canadian ambassador to Holland—today I want to put myself on the official record as saying “thanks” to them with all the sincerity I can bring to my command.

It should also be of interest to hon. members of the House to know that not only the province of Ontario, but, indeed, other provinces also are sending responsible hon. Ministers and/or top-level civil servants to Europe to canvass the situation just as I did, in relation to industry and/or immigrants.

Across the board, by and large, this province of Ontario down through the years has always absorbed more than 50 per cent. of all the immigrants who come to Canada in any one year. It has been suggested that in 1957—and that is the year we are now in—there will come to this country 275,000 immigrants, and of that number Ontario will have to absorb more than 50 per cent.

These people must find places to live; homes on some level must be provided. It seems to me that it is unfair, if I may

put it this way, to ask people to come to the province and then not have the housing programme to meet the demand for accommodation.

One of the most recent challenges we have had was the Hungarian immigrant movement. It is true we did not get 50 per cent. of all the Hungarians—but I do say this, that last December, after the revolution had got started in Hungary, we, on the shortest possible notice, without reservation, as government policy, through statements made by the hon. Prime Minister of Ontario (Mr. Frost), made it as clear as crystal to the federal government at Ottawa that this government would give top importance and absolute co-operation to the federal immigration authorities in meeting and absorbing into our economy those coming from Hungary who wished to settle in the province of Ontario.

That programme, thinking and policy have never been changed, and our policy is the same at this hour as it was last December.

It seems to me that, no matter how hard one tries, people misconstrue or, indeed, misunderstand one's best efforts, because in the issue of the *Toronto Daily Star* of February 8, 1957, there is a large heading to this effect:

REPORT FROM OTTAWA. FEEL ONTARIO
RENEGING ON OFFER TO TAKE SHARE
OF HUNGARIAN REFUGEES

This article, may I say, is inconsistent with the facts, and, it is clear, with the position of this government.

On behalf of my branch—because immigration comes under it—I would like to make the following statement—that when the Hungarian refugee situation broke, on behalf of the government of Ontario, I wired hon. J. W. Pickersgill, federal Minister of Citizenship and Immigration, on November 27th, and stated that the Ontario government would give the fullest co-operation to his department in caring for these refugees. The government of Ontario has never changed that policy. We are still ready to extend un-

restricted and complete co-operation to the Canadian government in connection with their programme.

We get in our province only those immigrants who designate Ontario as their chosen destination. Up to date we have received 2,800 at our reception centres out of a total of 3,200 arriving in the province. As of today we have in our centres about 530. The total capacity of our centres is 2,600. The capacity of these centres was based upon information provided by the federal government as to the number we might expect to receive.

These figures will show that our reception facilities have never been close to being tested in their capacity, up to the present time, but the federal authorities say that we might expect some 600 more people by the end of March. At the present time they have not arrived.

The statement in the *Toronto Daily Star* appeared on February 8th. Yet, as recently as January 22nd, the hon. Prime Minister of Ontario wrote to Mr. Pickersgill and, in part said, in connection with the Hungarian problem:

Mr. Nickle advises me that under date November 27th, he extended to you the fullest co-operation in caring for these refugees. I may say that that policy has not been changed in any regard.

The position of the Ottawa government is that the Hungarian refugee problem is a great challenge to the United Nations. As I indicated, our whole desire is to co-operate with the federal government to the fullest extent. At the present time Ontario, with about one-third of the population of Canada, is taking approximately 50 per cent. of Hungarian refugees reaching our shores. This is ample indication of our feelings in this matter.

As a matter of fact, if all parties in the United Nations were doing as well, according to his statements, there would be no Hungarian refugee problem at all. The whole matter would be taken care of. We hope our example in Ontario and in Canada will be an example to the United Nations Organ-

ization. We are willing to take our full responsibility, and, as a matter of fact, more than our responsibility, which is already indicated from what we are doing.

May I also point out that in furtherance of Mr. Nickle's offer to co-operate of November 27th, the government of Ontario have made extensive preparations in Ontario for the reception of Hungarian refugees. These arrangements have been in excess of the number of refugees reaching here despite the fact that we had to take approximately 50 per cent. of those coming to Canada.

I think you will agree that the placing of these unfortunate people has been going on very speedily and that, we hope, will continue.

Might I add that, furthermore, we have a cabinet committee made up of the Minister of Welfare, the hon. L. P. Cecile; the Minister of Health, the hon. Dr. Mackinnon Phillips; and the Minister of Education, the hon. W. J. Dunlop. We do our best to co-ordinate the whole programme.

It is apparent that the province of Ontario has given leadership with its humanitarian undertaking in receiving Hungarian refugees in Canada, and, in fact, we are the first provincial government to offer the fullest co-operation.

I would like to say that, first of all, I spoke about immigration, and with immigration we must consider housing; and it seems to me that the next step is the question of trade and industry. Ontario's industrial expansion in 1956 broke all records.

I think it is highly improper — I do not like the practice and, by and large, I have never subscribed to it—of picking out, or in any way trying to single out any man or woman for special praise who may be employed in my department of government. But, today, perhaps hon. members will excuse me if I break my own rules and traditions by mentioning two people.

The first person I want to mention is one of my consultants, Mr. F. J. Lyle. He is the first recipient of the Canadian industrial development award. This was made to him last summer in Charlottetown, P.E.I., and the report in connection with that award went on to say that:

Mr. Lyle served with distinction in the Royal Canadian electrical and mechanical engineers during the Second World War. In 1945 he joined The Ontario Department of Trade and Industry.

and then the report goes on and this is the final paragraph:

In the citation of the award Lyle is described as a person who has made the most significant contribution to the industrial development of Canada in the public interest.

That man is my consultant. He still is on our payroll, and he is in the gallery here this afternoon. To that man I pay my tribute.

Then, there is another consultant to whom I wish to refer, and that, may I say, is the individual who, possibly, had more to do with our Planning Act than any other single person in the province of Ontario. I refer to Mr. A. E. K. Bunnell. He is also here this afternoon, and to him, as I did to Col. Lyle, with all humility I want to indicate my complete and absolute appreciation for the very loyal way in which, at all times, these men have given to me the benefit of their years of experience, which has meant so much to the smooth running of the department.

To these gentlemen, I shall always, as long as I have a mind to remember, be eternally grateful, and hold the names of Lyle and Bunnell in the highest esteem, upholding the highest traditions of civil servants.

It may perhaps be fair to say now that \$570 million is invested in new manufacturing plants and equipment in this province. Last year, 145 new industries settled in Ontario. The gross value of

manufacturing production made an all-time high, nearly \$11 billion, which represented a 10 per cent. increase over the year 1955. Employment and payrolls also increased by significant amounts.

Mr. Chairman, if we are going to try to get new industry, we have to go out and arrest the attention of potential capital as to what we have to sell from the approach of a sound over-all economy. With that in view, the government has established trade and industry offices in Chicago and New York.

I would point out that after we established our office in Chicago, it paid for itself many times over, in that we got several industries from that area.

Coming as I do from the "foot" of Lake Ontario, where it joins the head of the St. Lawrence River, I think perhaps it is fair to say that I know something about the St. Lawrence situation. As a result of enquiries I made, I found that all the south bank of the St. Lawrence River had been taken up by option for people who lived in the state of New York, for industry, housing or park purposes.

These matters I discussed with my very good friend, hon. Mr. Lionel Chevrier several months ago when I was in Cornwall, speaking at that time at a dinner to the Toronto board of trade, which was in that area, interested as it was in the development of the St. Lawrence as a seaway and the St. Lawrence as a power project.

Speaking of the St. Lawrence seaway, I assume that hon. members of this House appreciate that the depth of the canals were only 14 feet and therefore only small vessels could pass through the canals, but when the seaway is completed the depth of the water will be 27 feet.

I was very interested last summer, when in Rotterdam, to learn how people in charge of the different shipping centres there, and that exporters who live in France, Germany and Holland, were making arrangements to let contracts for the building of freighters to bring the manufactured products from

Europe through the seaway up to the head of the Lakes, or up to Sault Ste. Marie. They are very interested in this country.

These people are quite prepared to see to it, as far as possible, that the ship which brings exports from Europe goes back and takes with them our manufactured goods.

Let hon. members never forget that Ontario is the workshop of the Dominion of Canada. More than 50 per cent. of all the manufactured goods made in Canada are produced in this province.

Having that in mind, we are doing our best, and I do not think there is an hon. member who will question our approach, to try to get new industries so that, when the New Canadians come to our shores, they will find an opportunity for employment.

Perhaps the hon. Leader of the Opposition will be interested in this statement: that on the occasion of the opening of our office in New York, I received a telegram from the then Deputy Minister of Trade and Commerce, and now the Canadian Ambassador to Japan, Mr. W. F. Bull, and this is what he said — the wire is addressed to myself:

In the absence of the hon. Mr. Howe in Japan, I would like to extend to you and officials in The Department of Planning and Development of the government of Ontario, our very best wishes for continued success in your efforts to develop new industries in Ontario. The opening of your New York office is a step which we warmly welcome, it will appreciably enhance the splendid co-operation which has always existed between the federal department of Trade and Commerce and your own in this important field.

(signed) W. F. BULL

We do not stop just there. We also have, through the agent-general in London, a trade and industry and immigration branch, and this makes general contact in the United Kingdom and, indeed, with those in authority who live in Europe, concerning the benefits we have to offer in this country from the

point of view of employment, housing, education, hospitalization, and the like.

One of the things which interested the people on the continent more than anything else was our potential for an adequate supply of power for the years which lie ahead. They were interested in what we had to offer in the way of hydro, coal, gas, oil, and now atomic energy.

I very well remember being at Chalk River several months ago, when I was invited to be present by the hon. Prime Minister of this province when he and the Rt. hon. C. D. Howe turned the first sod in connection with the opening of the new atomic energy plant. I would like to say that, by and large, looking into the future, industry may be assured of adequate power. There will be available sufficient energy for manufacturing purposes.

Dealing as I do on the provincial level with housing, trade and industry, and immigration, let me tell hon. members that, in the last couple of months, I have had my worries. The present policy of the Dominion of Canada is to direct, as I understand it, all chartered banks to tie up all savings accounts for long-term investment, which will mean the depositor, if he or she wants to withdraw the money, will then find he is not able to do so, if he wishes to pay hospital accounts, doctors, buy a bond, or loan his own money on a mortgage.

It is all very well to freeze or tie up the savings accounts in all the banks, but in so doing it must never be forgotten that, as a result of the policy as enunciated by the Dominion of Canada, the interest rate on loans is increasing.

In other words, the man who wants to buy or build a house in the future has to pay more interest on the money that he borrows, and that, I may say, is creating a serious situation.

Before I became too actively engaged in public life, like the hon. Prime Minister, I was a small county town solicitor. From time to time, I used to draw up the occasional mortgage.

I do not say this with any degree of criticism, but the investor was always apprehensive about having his or her capital invested in a first mortgage in village property. Investors took the position that the opportunity to sell and realize on their capital investment, if they had to foreclose as a matter of law, was not as good in the villages, and that it was better to make investments in the larger areas.

If the chartered banks are going to freeze all the savings, in all the accounts, for mortgage loans, people like the hon. member for Stormont (Mr. Manley) who has Cornwall as part of his riding, and Kingston, Brockville, Oshawa, and so on—we in those places are not going to have the savings money made available to us. Savings money is going to be put into the big cities.

Those of us who come from smaller places—and hon. members must not forget this—are going to have our constituents on our doorsteps because the savings accounts are not going to be available for mortgage investment in places like those I have mentioned.

There is a responsibility on all of us to take stock of this freezing; to find out just what it is going to do to the people in our ridings, and to the people in other places.

I am not unmindful that, in 1954, The Bank Act was amended so that the banks could make long-term loans. By that I mean 20 or 25 years for mortgages. Indeed, I think the chartered bank loans were all insured and guaranteed by Central Mortgage and Housing Corporation. I think the bank had about 40 per cent. of all the mortgage loans.

One can see that this increased tightening up of credit restrictions is having its result on our economy.

Now, let hon. members listen to this: Housing unit starts were less by 60 per cent. in January and February of this year than they were a year ago in January and February. The people who want to start to build cannot get the money. As a result, our housing starts

are down 60 per cent. That is the first sign of trouble on the horizon.

Secondly, let me bring this to the attention of the House. Our subdivisions for January and February, 1957, are down 40 per cent. compared to what they were in January and February of 1956. In other words, the subdivider cannot get the money.

Where is that going to leave us? We are going to be left in a position that, if interest rates go up, the hourly paid employee will have to pay more for his money out of his income, which he cannot increase because he is on salary. There is going to be less money for him, as a breadwinner, to make available to his wife. That, shall I say, is the amount in dollars and cents that she had been accustomed to have available for provisions and necessities of life for the children; such as food and clothing.

That is the way the wind blows, and I put the hon. members of this House on their guard today—we must be careful.

The municipalities are saying that they have their troubles. They must raise the taxes on real estate to pay for education, indigent people, and so on.

Last night I read, in the first edition of the *Globe and Mail*, that my friend, the hon. W. E. Harris, federal Minister of Finance, is going to have a surplus today of \$300 million.

I suggest to you, Mr. Chairman, that the hon. Minister of Finance is going to have a surplus of \$400 million, because he has put \$50 million into one reserve fund and another \$50 million into a contingent fund to pay for some liabilities that may or may not ever arise.

It is all very well to cloud the issue, but 50 per cent. of that surplus came from people of the province of Ontario. If 50 per cent. of that \$400 million was, to some extent, handed back to the government of Ontario—and, indeed, handed over to the other provincial governments—then I say we could do those things for the municipalities which

we are now criticized for not doing, because of this tie-up or freezing of the \$400 million in the federal exchange.

I say, to the mayors and reeves of the corporations across the length and breadth of this province, that the relief is available, the relief is possible—if Ottawa would not keep our money because they do not trust us to deal with it in a proper and generous fashion—to those who need it most, the municipalities.

MR. J. J. WINTERMEYER (Waterloo North): Would the hon. Minister allow a question? In the event that Ottawa should, next year, as they did last year, have a deficit, what would the hon. Minister suggest be done for the municipalities in that event?

MR. STEWART: They will not be there.

MR. D. C. MacDONALD (York South): That is the last of the year.

HON. MR. NICKLE: I say to the hon. member, if there is a deficit next year, that deficit will be intentional, self-inflicted credit restrictions imposed by the federal government which I say today threatens to wreck our way of free enterprise.

Another trouble we are having, the townsite programme, is something that interests me very much. There is a capable committee of which I am a member in charge of that programme.

The houses that are built in the townsite areas, to a very great extent, will have to be built by the mining corporations or will not be built at all. Money is not going to be made available for private borrowing for individuals who want to establish their homes and stores in the townsite areas.

If we are going to develop our natural resources, we cannot expect the people to go into the townsite areas and not have a place to live.

When the hon. member mentions a deficit, not only could there be a deficit

as a result of the party which the hon. member supports in Ottawa, but the development of our natural resources can also be wrecked by these credit restrictions.

MR. OLIVER: Does the hon. Minister think there is any necessity for credit restrictions?

HON. MR. NICKLE: No.

MR. OLIVER: The hon. Minister does not?

HON. MR. NICKLE: No.

MR. OLIVER: That is the answer I wanted to get.

MR. MacDONALD: Did the hon. Minister not read what Mr. Coyne had to say two days ago?

HON. MR. NICKLE: Yes, and I thought he was putting his political life in the hat.

MR. MacDONALD: He is a civil servant. He is not a politician.

MR. WINTERMEYER: Does the hon. Minister agree with the policy of the United States in this matter?

HON. MR. NICKLE: It keeps me busy enough trying to get employment and to make employment available for our New Canadians. It also keeps me busy trying to find homes for them to live in, and to receive them when they come to our shores.

If the hon. member does not feel that the new immigrant is entitled to work and a house to live in when he gets here, that is where the hon. member and I part company.

I should like to say a word about the Ontario research foundation.

I have a very high regard for the director, Dr. H. B. Speakman. This foundation was established in 1927 as a

result of the joint effort of the government and industry. Starting from scratch, this great foundation has developed into a scientific research centre with an international reputation.

The policy of the government is to assist that foundation in its excellent work. There is a scholarship fund of \$50,000 each year made available to the foundation. Many who are employed by the universities are given the opportunity of taking post-graduate work. One of the proper questions, it seems to me, that anyone might well ask me, is: "How many of these people who take the post-graduate work from the research foundation stay in the province of Ontario?" My answer is: "80 per cent." So I think it is a good investment.

Grants which are made to support post-graduate research work in our universities are well worthwhile. Research in our universities must never lag.

The hon. member for York South and I have at least one thing in common—Queens. I will put it to him this way, that there is a capital grant to our *alma mater* this year in the amount of \$1 million. The alumni are being asked, as a result of an endowment drive which was supported by at least the Kingston labour council, to raise another \$4 million to make possible an expansion programme so that we may turn out more engineers—civil, electrical, mechanical—more doctors, more men from the arts and the chartered accountants and commerce.

The technical knowledge of the Ontario research foundation is made available to all industries, particularly small industries which seek ways to help them keep pace with modern science and technology.

Perhaps it might interest hon. members to know that in connection with civil defence, we have 212 municipalities organized for civil defence. We have 21,000 enrolled voluntary civil defence workers, 45,000 citizens who have received civil defence training through the medium of lectures and films, and I may say that we are satisfied with our programme.

It has been my pleasure to serve under my colleague, the hon. Minister of Labour (Mr. Daley), as a member of the cabinet committee charged with the responsibility of looking after the parks integration programme. Down on the St. Lawrence we have had some problems in relation to the development of a power project and, indeed, in connection with establishing a scenic highway and memorial park.

We have had to move 6,500 people to new homes. A number of people have been inconvenienced. I am not to be understood to say that there have not been problems. There have. But as far as I know today, there is not one single case down in the St. Lawrence that has not been settled by and large in a happy way between vendor and purchaser. That is a very fine record.

The government has decided to set up a water resources commission. People may ask me: "What does that have to do with your department?" I put the answer this way — that the commission is presided over by the hon. Minister of Public Works but we are, through my branch of the government, trying to give the most complete co-operation we possibly can in relation to anything to do with pollution of water.

We do not allow industry, subdivisions or anything else, to develop that are going to make matters worse than they are at the present time.

Therefore, members of the conservation branch are giving the greatest co-operation to the water resources commission to assist them with the challenges that they have to face up to.

Mr. Chairman, I would now like to say that Ontario has consistently accounted for half of Canada's aggregate manufacturing output, and has been the source of one-third of the federal government's direct taxation and nearly two-fifths of its indirect tax collection.

Great natural resources, abundance of power, good highways, railway and water transportation, central location on the continent, a growing population, suitable climate and ample water for indus-

trial and domestic use—all of these have stimulated Ontario's development.

But no less important has been the framework of provincial and municipal services without which this growth could not have been possible. These services can be maintained only through the more equitable resettlement of federal revenues to the province of Ontario.

HON. MR. FROST: Mr. Chairman, may I just add a word or two to what the hon. Minister has said, particularly in relation to the matter of credit as it affects the development plans of this government in housing and in other matters in municipal affairs.

I just add a few brief words to what the hon. Minister said about the disastrous effects of the federal government's fiscal policies on the planning and development of this province.

As a preliminary, may I point out the news in the afternoon papers of yesterday — I have here one of the great afternoon dailies of yesterday — and I also have the morning paper of today, reporting the surplus that has been spoken of.

Hon. Mr. Harris yesterday reported a surplus of nearly \$300 million, and as has been said, this is after stuffing—and I use the word advisedly—

MR. OLIVER: What does the hon. Prime Minister know about it? There is his highway reserve account.

HON. MR. FROST: This is after stuffing \$50 million into a reserve account as a protection against loss in government inventories, and an extra \$50 million into the civil service superannuation fund. Of course, both of these are bookkeeping entries, but they are very vast sums of money —

MR. OLIVER: We do that every year.

HON. MR. FROST: But ours is only \$1 million. This is \$50 million. I would say that I never make election

speeches, but I would point out that there are 50 hon. members from this province in Ottawa supporting the government. It is about time some of those people stood up for the province of Ontario.

MR. MacDONALD: The hon. Prime Minister will not have 50 next time.

HON. MR. FROST: That is about all the hon. member will have — is 50 — in the whole country.

This is a reserve for losses on realizable assets. They have been stuffing money into this account, and today there is no less than \$496 million in that account. That is a lot of money — \$496 million, which is a reserve for losses on realizable assets.

MR. MacDONALD: Depreciation.

HON. MR. FROST: Let us see how they use this in connection with realizable assets. In 1954 in this account, which is a reserve for losses on realizable assets, I see they transferred \$99.5 million to the old age pension fund. If that would not terrify the hon. member for Waterloo North, I do not know what would.

MR. NIXON: What greater asset have we than that?

HON. MR. FROST: At least they could be honest about it. What these people are doing is this: they are taking money, which comes very largely from the province of Ontario, and putting it into a reserve fund that can be used for any purpose. Half of this money comes from the great old province of Ontario. This is not all; this surplus of \$300 million is after providing for another \$100 million for the Canadian arts council, which covers, among other things, university capital requirements for the next 10 years.

MR. WHICHER: Is the hon. Prime Minister against that?

HON. MR. FROST: Would the hon. member just wait one moment? I would say, Mr. Chairman, this is similar to this House voting the capital requirements of the universities, including the new university at Kitchener, for 10 years in advance. That is what it means. They have taken the amount out of one year; in order to depress and keep down a budget, which is enormous, they have taken 10 years' payments and put it into this account.

I would say that I agreed with many things the hon. member said, but I would point out that in 3 items alone the actual surplus in the federal budget is not \$300 million, not \$400 million, but it is in excess of \$500 million. If we had the opportunity to look into the accounts and budget, I imagine the surplus is much higher even than the \$500 million I have referred to.

Certainly, I say this is being done by the same government which gives this province such niggardly treatment in the tax fields, which belong as much to Ontario as to the federal government. Mr. Chairman, such treatment to this great earning province—which at the present time is being forced by this niggardly treatment to impose double forms of taxation upon the people of the province of Ontario—is not right.

By this morning's paper, and, as I have said, it is plain that the federal budget on a very moderate basis is in excess of \$500 million. In the same morning newspaper I noticed this—and I refer this particularly to the hon. member for York South who might be at least wooed away a little bit from the province of Saskatchewan, which he admires so much, back to his old native province of Nova Scotia down by the sea—

MR. MacDONALD: The hon. Prime Minister has his facts all twisted.

HON. MR. FROST: I thought the hon. member came from Nova Scotia.

MR. MacDONALD: Last year the hon. Prime Minister tried to twit me,

for political purposes, about where I was born, and now he has forgotten it in 6 months.

HON. MR. FROST: I thought I honoured the hon. member greatly by saying that he had come from Nova Scotia.

MR. MacDONALD: No, the hon. Prime Minister is mistaken as usual.

HON. MR. FROST: Well, I am sorry; however, I will try not to lower the hon. member in my estimation for that fact. I thought he came from the great Scottish province. At least my mistake was well intended, because it is an honour to come from that province.

MR. MacDONALD: I agree. Let us get back to the relevant issue again.

HON. MR. FROST: The same newspaper I referred to, which tells of this huge surplus that the Ottawa hierarchy have, a few pages further on states that Nova Scotia has a deficit of \$4 million.

In the same paper, the treasurer of New Brunswick points out the serious fiscal plight of his province of New Brunswick.

At the same time I point out that, while the financial difficulties of our own province, Nova Scotia and New Brunswick are being pointed out here and elsewhere, the federal government is in possession of this huge surplus which it obviously adopts every expedient to hide, and is presently taking away from Ontario a very large part of the \$150 million, which is being paid in adjustment grants to other provinces.

A government sitting there with \$500 million in the bank under a fictitious title, which it can draw on and call it "old age pensions" or anything it likes—and has a surplus of over \$500 million additionally this year—is drawing off from the embattled taxpayers of Ontario a very large portion of the \$150 million to pay to other provinces.

I just want to refer to one of them, and it is not a million miles away from the hon. member's great friend, the province of Saskatchewan: about \$20 million of this money goes to Alberta, which is so wealthy that it has no debt and is able to pay a dividend of \$22 to every person of over 21 years of age.

That, while the province of Nova Scotia starves with a deficit; while our partner province of New Brunswick, which was one of the original provinces in confederation, is having fiscal difficulties; and while the old province of Ontario, which carries half of the load for the country, has to impose double taxation on her people.

I would say that, even if the adjustment payments to the provinces were in any way reduced, or supposing it were left to Alberta to take its \$20 million and distribute it among their people, and make the other adjustment payments which are well known to this House, it would take only a comparatively small portion of the surplus—not more than 25 per cent. of the surplus—to make adjustments with the provinces, including Ontario, which are so unfairly treated at the present time. That amount would moderately meet the legitimate requirements of these provinces.

I would say to the hon. member for Waterloo North that it is a crying disgrace, if we do not take Ontario as an example—and the hon. members opposite do not like oftentimes to talk about Ontario; they prefer to talk about other places—I would say it is a crying disgrace today that Nova Scotia should have a deficit of \$4 million in the face of these tremendous surpluses that are being piled up in Ottawa.

I ask this—is it any wonder we protest? Is it any wonder that we doubt the sanity of this Ottawa type of thinking? The time has passed when the people—and I may say, including a number of business people who ought to know better in this province—the time has passed for viewing with awed admiration, an admiration which sometimes precludes

them from saying anything, the antics and gymnastics of these fiscal and other people down in the capital city of Ottawa.

It is time we gave this thing an appraisal to find out exactly what it is. These people are not mastermen. I say this because of the housing and municipal requirements of this province. For a typical municipal problem, may I take metropolitan Toronto, because after all, the problems here are large and are magnified and are very plain to the people of this locality and to the people of the province.

Yesterday the council of this area voted a levy of an additional two mills of taxation for capital purposes.

This municipality was proceeding to finance satisfactorily its present requirements with $3\frac{1}{2}$ per cent. money, and that is about the point at which the hon. Minister of Planning and Development started.

The Ottawa people, without ever considering the problems of metropolitan Toronto or ours, or considering the problems of any of the municipalities, and sitting in their ivory towers, deliberately set out to create tight money. They deliberately took the action of driving up interest rates without considering the problems of anybody.

As a result, metropolitan Toronto with its great developmental plans, designed for the betterment of their people, and undeniably so, has now to face the possible task of raising money of the amount they require, at rates of interest that are going to exceed $5\frac{1}{3}$ per cent.

That is the situation. The chairman said to the council, in getting through against opposition this levy of two mills, that the council was simply being crucified with that sort of thing. The result of the matter is that the council has had to impose an extra two mill levy to help meet these capital requirements, because money is too expensive to borrow and too difficult to get.

All of this goes to help defeat the very plans that this province and this House are making to assist this municipality and the other municipalities of Ontario.

This is caused by a government that today shows a surplus of \$530 million, a large portion of which came from this province.

This simply does not make sense. It indicates one of two things. Either Ottawa is woefully ignorant of the requirements of the municipalities, the province and the municipal taxpayers, or else it flagrantly disregards both of them, or all of them. I would say that either of these is reprehensive.

Metro's problem, which can be so stated, is that of every municipality in Ontario. It is the position of Wiarton, Lindsay and Windsor and the other municipalities of Ontario.

I would say that there is a backlog of accumulated works coming from the war and from the years of the 1930's, which the municipalities simply have to take care of. There is no escape from them. The effect of federal policies has been to drive up interest rates at the very time these people need money.

In addition to that, take the case of this province in connection with the problem of development. We are engaged in a great development programme in Ontario which is essential to all of Canada, because in this province we are attracting, as the hon. Minister of Planning and Development says, about half of the New Canadians coming to our country, and we are earning here about half of Canada's revenue.

The federal government cannot be ignorant of those things, surely. They are partners with us in the St. Lawrence development, and surely they know that we shall have to spend, invest and borrow over \$35 million in that project alone. They know that.

They are partners in the trans-Canada highway. They are partners in the northern pipe line and in many other projects. They know what we have to do. They are partners with us in the matter of nuclear power. They know and they have been told about our requirements.

In 1955 and in 1956, at a federal-provincial conference, they had these

problems explained to them in detail—not once, but time and time again. They knew full well that our plans in this province were predicated on 3 and 3.5 per cent. money, including the very plans in which they asked and urged us to join with them as partners.

They knew also that was the case with metropolitan Toronto. If the federal hon. Ministers and the hon. members from this province represent the people, they surely would know that there was the case with the municipality of Owen Sound and the other municipalities of this province.

Suddenly they decided that spendings must be controlled. I think the hon. member for Waterloo North asked a question on that point. He asked as to whether the hon. Minister thought there should be controls. For my part, I think that controls at this time are necessary, in particular respects. I think myself that there is too much credit spending in certain types of things, for chattels and appliances and the like.

I would say to the hon. member, however, that I do not think that is true about the great basic essentials of this province, the municipalities and the public works that are required for an Ontario that can go further and can develop its great earning capacities.

In relation to the matter of controls, it is their policy with which I differ. In their method of procedure, I think they have made a fundamental error. They proceeded to make money scarce, mark that, and they deliberately drove up interest rates.

The other day the Hydro, with our guarantee, borrowed \$100 million. I may say, in order to get that \$100 million, it had to go down into \$500 lots among the investors of Ontario. Perhaps that is a good thing. I think it is a good thing to spread out our securities among the smaller investors of our province. But whether it was a good thing or not, we had to do it in order to raise the money.

I would point out that because of the federal policies, and having to borrow

that money at 5 per cent., it will cost the people and the power users of this province \$2 million a year for the duration of that loan. These things are always translated down to the little person in this province.

In the meantime, municipalities, mortgagees and others are going to require money, and are turning to the province to get the money through us, and through our Ontario development corporation and other agencies. Of course, this is going to cost more money and will result in these costs being passed on to the little people of this province.

The other day there were some comments in the House in relation to some of the schools. Let me give the hon. members a list of applications which, in one single day, come up to the cabinet council or the Honourable the Lieutenant-Governor in Council.

This day, the 14th of March, there were 8 applications received from separate school boards. These are poor "little" people who cannot raise the money to run the show and have to turn to us to get it.

These are very well known places. Here, for instance, is \$40,000 from the Roman Catholic separate school section No. 8 in the township of Brampton, and I have another from another Brampton section. There is \$40,000 from the village of Lakefield, a community which should have little difficulty in raising money; another \$80,000 from the village of Chippawa; another, \$100,000 from the town of Wallaceburg, one of the fine wealthy communities of this province.

The Wallaceburg school board wants \$100,000 because these little people cannot raise the money, and have to turn to us to assist them.

They need \$15,000 in the township of Maidstone; \$120,000 in another school in the town of Brampton; and \$40,000 in the village of Caledonia.

Here is another from the municipality of Pickering, \$153,000; from the old township of Vespra, I believe in the county of Simcoe, \$60,000; from the

town of Georgetown, a fine community in Ontario, a request that the government get \$147,200 for them.

The hon. Provincial Treasurer (Mr. Porter) is going to ask for \$100 million more money to assist these municipalities. I say this is serious. This is a matter of grave import to our people and to this province.

This money, which was available to these people, has been dried up. They now have to borrow money at higher rates of interest, and have to pass that interest along to the embattled taxpayer of these various municipalities and sections.

This is a matter of great importance to our people. Ottawa's "remedy" was to make money scarce. They deliberately did that to drive up interest rates. They kept raising the bank rate over which they have control, and drove up interest rates to the present limit.

After having deliberately done this, and having made money in short supply, they turn around and say the supply is too short for housing requirements.

What do they do about it?

It is in this question we are very much interested this afternoon, and likewise we are of course interested in the municipalities, and the federal government now proposes to impound this money, in some way or other—how they propose to do it is something on which I would not comment.

The hon. Minister of Planning and Development gave his own conception of that particular point —

MR. H. C. NIXON (Brant): I should say so.

HON. MR. FROST: But if he does not know I must admit I do not know, and I very much doubt whether these people in Ottawa know either.

MR. NIXON: Yes, but the hon. Minister pretended to know; that is the problem.

HON. MR. FROST: The hon. member is an expert and so is the hon. Leader of the Opposition, sitting on his left. I will refer in a moment to this question. They propose to impound this money so that it may now be available for housing.

After having done so much to make this money available which they took away from housing, and now make available for housing at higher rates, I would think that even the hon. member for York South would agree that kind of financing is simply awful beyond words.

The money was available, to the hard pressed municipalities of Ontario and our hard pressed people who must build these houses, at rates between 3 and 4 per cent. The federal government is turning around with this type of financing and are ruling that money be made available to the same people, who could have borrowed it at 3 or 4 per cent.; they are going to make the same money available to the people at 5, 6 and even 7 per cent. rates of interest. What possible even remote sense is there to that sort of thing?

I think while on these estimates, it is a good time to discuss this matter. I am open to the interpretation of the hon. Minister in connection with this matter. I do not pretend myself to make an interpretation of what the federal government is doing in connection with savings accounts, and the use of savings accounts of our people, to make the money available for mortgages and matters of that sort. I do not suppose that perhaps it is my particular business, except as a citizen of this province, to pass upon the merits of what is relative to applying savings accounts of our people in chartered banks on mortgage loans.

I do not profess to be an expert on this subject; I do not know that the hon. Provincial Treasurer is. But I would say that we could turn to experience and suggest that the Ottawa government might consult the Liberal opposition in this Legislature, who are the remnants of the Hepburn government who still remain in public life.

MR. MacDONALD: Look at the remnants in Ottawa in the opposition benches there.

HON. MR. FROST: I am talking only about the remnants who are here. I will not leave myself out. I am speaking, as well, of the remnants in this House for whom I have the highest regard—the hon. Leader of the Opposition and the hon. member for Brant.

This same procedure was tried in Ontario. The hon. member for Brant at one time was a member of the Drury government in his long and varied life in this House. At that time, the province of Ontario savings offices were opened in this province. We still have savings offices, I think there are some 17 or 18 in this province, and the moneys to be deposited in those savings branches were to be invested in farm loans. The hon. member for Brant will probably remember that. Things proceeded along until came the depression, and I am inclined to say that with the years of depression came the Hepburn government.

MR. OLIVER: Well, somebody came along.

HON. MR. FROST: I will not say that for this reason—as a matter of fact I have a great deal of admiration for Mr. Hepburn—

MR. MacDONALD: The hon. Prime Minister is acting just like he did, no wonder.

MR. LAVERGNE: Donald Duck.

MR. MacDONALD: Just a duplicate of it.

HON. MR. FROST: I, of course, had very many disagreements with Mr. Hepburn.

MR. MacDONALD: But on fundamentals the hon. Prime Minister agrees.

HON. MR. FROST: I will say this, that I have always admired Mitchell Hepburn in that he never hesitated to

stand up for Ontario. It is true, there were many things on which we disagreed, but he was a forthright, positive individual who stood up for our province and did not care what the situation was at Ottawa, or who was in power at Ottawa. He stood up for the province at all times.

Mr. Hepburn was the treasurer of this province, and I have heard many of his budget addresses, and very able addresses they were. The hon. member for Brant used to thump his desk on many occasions on the delivery of these addresses.

MR. NIXON: Yes, they were good budgets.

HON. MR. FROST: That is right. Mr. Hepburn gave us a very sound reason—and as a matter of fact it was unassailable—one of his reasons for discontinuing the use of moneys deposited in the provincial savings offices for farm loans—and he gave it eloquently in this House—was that it was against all common sense, to use his own expression in his own inimitable way, to use “hot” money, to use money which was subject to immediate withdrawal and, as he called it, “hot” money for the investment in long-term mortgages which would of course destroy the liquidity of the provincial savings offices.

Mr. Hepburn at that time pointed out it was the genesis of the trouble in the United States, in the immediate years before, in connection with the difficulties their banks had in the days of 1932, and particularly at the time of President Roosevelt coming into office in March of 1933.

Without suggesting any remedy to this matter, because I do not profess to have the experience, I would suggest that the hon. Minister of Finance at Ottawa, the hon. member for Grey-Bruce (Mr. Harris), should sit down and have a discussion with the hon. Leader of the Opposition of Ontario, the hon. member for Grey South, concerning the eloquent speeches which he and his colleagues in the Hepburn days

made on this particular subject of the unsoundness of using deposits of investors in our provincial savings offices for long-term frozen loans.

The hon. member for Brant nods his head in connection with that. That is right.

I would say, Mr. Chairman, I am not passing on that matter; that is a different subject from the one I have been discussing. The subject I have been discussing is this: we are facing a situation of very great seriousness for our people and for our municipalities in this province, which has been imposed by these restrictions; the application of these restrictions, the obvious disregard for the problems of this province and the people by the federal government.

In considering these estimates which involve housing for our people, it is an opportune time for us to consider the principal causes of our troubles and the effects which the policies I have mentioned are having on our work, on the little people who own houses, and upon the municipalities of Ontario who are, in the main, populated by little people for whom this Legislature is striving to better the position.

These policies are defeating what we are doing here. It is the disregard of common sense; it is the disregard of the knowledge which the Ottawa people have of our problem.

These matters have been patiently explained—in 1955 and 1956 and, again, in 1957, in conferences and out of conferences by the hon. Provincial Treasurer, by myself, and by groups of our advisors. We have informed these people of our problems, and in the face of that they have disregarded these things and today we are faced with the serious situation of having to finance commitments which are necessary for the people in this province with money that has almost doubled in interest rates.

I would say to the hon. member for Waterloo North that it would have been feasible to have controlled these things in other ways. Never, at any time, was this government called in and asked to

hold back on certain things. As a matter of fact, we were encouraged to go into the St. Lawrence development, into the pipe line deal, and other projects.

If it was necessary, or if it became necessary, to curtail matters and certain expenditures, surely, there was a way of doing so without striking and hitting at the very heart of the development of this province and her people.

Therefore, Mr. Chairman, I say these estimates are of high importance, and I would ask the hon. members of the Liberal group to help impress upon these people at Ottawa — the hon. Leader of the Opposition laughs, because, apparently, he regards it as being hopeless. I think he might be optimistic enough to sit down with his running mate for the county of Grey and, at least, point out these things to him — if the federal Minister does not listen to my colleagues and myself, he might listen to the hon. member for Grey South.

MR. OLIVER: Mr. Chairman, there is a saying that one's education is never complete, but I really thought I had heard everything until I heard the hon. Prime Minister embark upon this 4-part speech he has just delivered on the innocent looking estimates of The Department of Planning and Development.

He has started out by accusing the federal government of hiding certain revenues in pouches here and there. Well, there never was a greater arch-builder of revenues in the province than the hon. Prime Minister. No matter how hard the hon. Mr. Harris works at Ottawa, he will not be able to find as many hideouts as my hon. friend has demonstrated he can find for provincial revenue over the last number of years.

What the hon. Prime Minister is doing here on a miniature scale is the very thing he is criticizing the federal government for doing. I would say the ground on which the hon. Prime Minister stands is shifting sand indeed, when he discusses these matters in the vein that he has talked this afternoon.

The hon. Prime Minister talks about the size of the federal surplus. The hon. Minister of Planning and Development made a wild guess at what it would be; the hon. Prime Minister said: "No, the hon. Minister is 'away low,' it is going to be a lot higher than that." We have only a few hours to wait, and we will all know what it is.

The hon. Prime Minister made a rather curious speech this afternoon. I never thought the hon. Prime Minister was as gullible as he has demonstrated himself to be.

The timing of the speech we have just heard is of particular importance. Yesterday the federal hon. leader of the Conservative party was closeted with the hon. Prime Minister for a long time, and now, at the first opportunity, the very next day, the hon. Prime Minister rises in this House and delivers a fighting political speech.

I do not doubt that the hon. leader of this government drew his inspiration from the hon. John Diefenbaker yesterday. Is this the sort of thing we are going to be subjected to in this Legislature? Are we going to start fighting the federal election in this House? I do not mind fighting it here, but I would much rather fight it outside.

No matter what the hon. Prime Minister does, he is not going to alter the confidence of the people of Ontario, or of Canada, in the federal administration of Ottawa. If the hon. Prime Minister were to make the kind of speech outside that he has made in this House this afternoon, his influence would be less outside than in this House because of the "rubber stamps", shall I say, who are sitting around him.

THE CHAIRMAN: Order.

MR. OLIVER: If I should not have said that, I will do something about it later on.

The hon. Prime Minister talked about a \$500 million surplus. He looks at that, and the longer and oftener he looks the angrier he becomes. He sees

only evil in a federal government coming out on the right side of the ledger by \$300, \$400 or \$500 million, whatever it might be.

The hon. Prime Minister knows just as well as he is sitting in that chair that the slightest turn of an economic factor would reduce that surplus from what it is at the present time, to zero or below. It just so happens that this year there is a surplus. It might very well happen next year there will not be a surplus; last year there was a deficit.

The hon. Prime Minister is very quick at figures, sometimes. He sees these figures and feels they will serve his own particular purpose.

I suggest to you, Mr. Chairman, the hon. Prime Minister is not arguing for the province of Ontario when he is arguing that way. He is arguing for the man he was with yesterday and I want to tell the hon. Prime Minister, in case he does not know, that he is following the route that will not get him anywhere.

MR. J. W. HANNA (Huron-Bruce): Why does the hon. Leader of the Opposition not look after the little people?

MR. J. A. MALONEY (Renfrew South): That is what the hon. Leader of the Opposition told us before the last election, that it would not get us anywhere. And where did it get us?

MR. OLIVER: That is all right; I can tell the hon. member that this will not get the hon. Prime Minister anywhere for sure.

The hon. Prime Minister went on then to a discussion of the federal-provincial taxation agreements, and here he became really angry because of the way the federal government has "done us in", as he says, in relation to the taxation agreements.

Now, he knows he cannot fool anybody very much longer with that sort of argument, because at the moment we are going to collect our corporation

tax, we are going to collect our succession duties, and he has rented the income tax field to the federal government for over \$30 million more than he received last year, and they are going to do the "hatchet" work for him. The only reason he does not get into that field is because he is afraid of the political consequences.

The hon. Prime Minister has used those taxing arrangements with the federal government as a political football to serve his own particular interests for the last number of years. He cannot do it any longer. He is now in the position where he is taxing in his own field in all but one respect, and that is income tax. The federal government has a right to tax in their own field. These fields are open to the provincial and the federal governments, and if the hon. Prime Minister is not satisfied that the revenues from these fields are sufficient, then he has the opportunity—and it is his alone—to raise that tax in order to bring in additional revenue.

The hon. Prime Minister has gone around this province too long on the "wagon" of blaming the federal government because of the unjust deal he has been given under the taxation agreement. Let him forget that. The federal government have commitments and responsibilities, this province also has commitments and responsibilities. The field from which to draw the revenue to meet those commitments and responsibilities is well defined, and the hon. Prime Minister is not on sound ground when he goes about saying that the federal government did not do this and did not do that for us.

The opportunity for him to do things for the people of Ontario is in his own hands, and one of the reasons he made that speech this afternoon is that he himself has not been fair, financially speaking, to the municipalities of this province. He took this opportunity to try to throw the blame for his failure onto the federal government.

We are not short of money in this province, as the budget revealed quite

clearly; the money is here to do the things that should be done. This government has the money here to help the municipalities, the hon. Prime Minister does not need to take a political "stomach ache" and be a "cry baby" on the doorstep of the federal government, he can do these things right here in Ontario.

Why does the hon. Prime Minister not do so? Is he not big enough to take the responsibilities that are properly his, and discharge them in this province of Ontario? The only reason he made the speech, of course, was for its possible political effect.

Coming now to credit restrictions, I asked the hon. Minister of Planning and Development if he thinks there should be any restrictions on credit, and he said no. The hon. Prime Minister says he thinks there should be. Now between those two lies the truth, I suppose, if we could only ferret it out.

HON. MR. NICKLE: Mr. Chairman, may I say a word?

MR. OLIVER: No, I do not want to hear the hon. Minister right now. The hon. Prime Minister said he agreed that there should be credit restrictions of some kind. Now that has gone a long way. All we are discussing at the moment, then, is just what kind of credit restrictions there should be, and the hon. Prime Minister is quite frank when he says he does not know.

MR. WARDROPE: Mr. Chairman—

MR. OLIVER: No, let the hon. member wait a minute, now. This is a good discussion and I think the hon. member will agree with it when he hears it. The hon. Prime Minister says he does not know what the credit restrictions should be, all he says is that they should not be what they are.

HON. MR. FROST: Mr. Chairman, I did not say that.

MR. OLIVER: Then what did the hon. Prime Minister say?

HON. MR. FROST: I said there should have been a consultation in connection with capital works. I said there should have been restrictions in relation to the buying of appliances and things of that sort. What I urged the hon. Minister of Finance in the federal government to do was to consult the hon. Leader of the Opposition about this savings bank business, because the hon. Leader of the Opposition has had more experience in that direction than I have had, and he took a different course.

MR. OLIVER: Well of course the hon. Prime Minister knows that the savings bank business is just a red herring across the trail. Nothing is decided on that and he knows it. He just throws that out as red herring to becloud the issue further.

The hon. Prime Minister said there should be credit restrictions, and with that I agree. He says they should not be the kind we have, but some other kind, but we do not know what the other kind is.

Let me tell the hon. Prime Minister and the House that he may have good advisors around him, unquestionably he does, but around the federal Minister of Finance at Ottawa are equally good advisors.

HON. MR. FROST: Mr. Chairman, may I point out to the hon. Leader of the Opposition that one of the authorities I consulted was the editorial writer of the Toronto *Daily Star*, with whom I do not always agree, but I thought he had some pretty good articles on credit restrictions and I rather agreed with them.

MR. OLIVER: The hon. Prime Minister should consult more than one authority, he cannot be really persuaded by one. However, the crux of the matter is, and I emphasize this, that the hon.

Prime Minister says there should be credit restrictions. He does not know what they should be, and we in the opposition are exactly in the same position, we do not know.

But as far as the federal government is concerned, it saw the situation and moved to meet it. Perhaps it moved in the wrong way, I am not prepared to say, and I do not see how the hon. Prime Minister can say.

All he says is that interest rates have gone up. Maybe interest rates would have gone up anyway, in the face of the inflation we are subjected to in this country.

HON. MR. FROST: Oh.

MR. OLIVER: That is a reasonable attitude to take, and the hon. Prime Minister can say: "Oh," if he wants to. Just because interest rates have gone up is not a sufficient answer, I suggest, as to the validity, or otherwise, of the credit restrictions. I would suggest to the hon. Prime Minister that perhaps he had better get to the estimates. I doubt if he did himself, or this province, any good with the kind of provocative political speech that he made this afternoon.

MR. MacDONALD: Mr. Chairman, I was extremely interested in those few brief words that the hon. Prime Minister added to the introduction of the estimates of the hon. Minister of Planning and Development. I do not pose as an expert, but I have a few suggestions to make.

When I rose and made some comments that were relevant to some estimates a day or so ago here, I was accused by some Tory back-benchers of introducing politics into the estimates. Yet this afternoon we have been taken off on a tangent in terms of the estimates before us. They have been forgotten and we are dealing in irrelevancies. However, since the hon. Prime Minister has introduced them, let us deal with those irrelevancies.

It reminds me of the time the hon. Prime Minister attended the Dominion-provincial conference in Ottawa, which happened to be just a couple of months before the federal election of 1955, and he unburdened himself of a one and one-half hour address.

AN HON. MEMBER: Federal election in 1955?

MR. MacDONALD: The provincial election, rather. At the end of the hon. Prime Minister's speech, Premier Maurice Duplessis made an apt and pertinent comment: "There must be an election coming in Ontario."

As a matter of fact, I just happen to have in my desk, apropos the hon. Prime Minister's speech this afternoon, a couple of clippings which aptly describe the little display that we have had this afternoon. This is a heading in the *Toronto Daily Star*, which has on its staff an expert which the hon. Prime Minister consulted. It says:

FROST AT OTTAWA LIKE HEPBURN AT HIS WORST, GIVES JOLT TO CABINET

MR. MALONEY: That is the hon. member's expert.

HON. MR. DUNBAR: He did not walk out like Hepburn did.

MR. MacDONALD: And even more important, and apropos to the kind of thing that we have been treated to this afternoon, is a comment of the *Toronto Daily Star* of December 3rd, which said:

Mr. Frost is beginning to sound like a grumpy, rich old fellow sitting in his club, talking about the servant problem.

HON. MR. FROST: In connection with the conference at Ottawa, some people thought that it was for political purposes.

MR. MacDONALD: Of course it was not.

HON. MR. FROST: I assure the hon. member for York South that it was not, but I will say this, that what they said for political purposes was that I put hospital insurance on the agenda over the protests of the government at Ottawa. And less than two years from that historic conference, hospital insurance stands about to be accomplished.

MR. MacDONALD: The hon. Prime Minister's 10 years' mathematics are just about as shady as his recollection of birthplaces. From 1955 to 1959 is not two years, it is at least 4. And 15 years after this party promised it; and 30, if not 40, years after the Liberals promised it.

MR. OLIVER: What's the difference?

MR. MacDONALD: I agree, what is the difference? I want to get down to some of the substantive conditions, but first, let me say this:

I think this Legislature might as well prorogue and go home, because it is obvious that, from this time forward, the Legislature is going to be turned into a hustings platform to fulfil a Tory party dream of yesterday. What we are going to have is the hon. Prime Minister arm in arm with little hon. John Diefenbaker, trying to restore that rump of a once great party to a semblance of its former glory in Ottawa. I have very little in common with the Liberals to my right, but I am willing to bet some plugged nickels as to what is going to be the result, as far as the Tories are concerned at Ottawa, after the election.

HON. MR. FROST: I point out to the hon. member that plugged nickels are about all he would bet. Some people around here do better than that. May I say to the hon. member that in going about with hon. John Diefenbaker, the hon. member had better read the Holy Writ and the story about David and Goliath — it may be well for me to go around with this little fellow.

MR. NIXON: Which one is the hon. Prime Minister—David or Goliath?

HON. MR. FROST: I said I was going around, perhaps, with the little man who may be David; so, he should not be under-rated.

MR. MacDONALD: If I knew hon. John Diefenbaker personally, which I do not, I would remind him that one of the things of which the Tory party has a well-developed habit is that they shoot their generals as quickly as they lose a battle. At least the future of my party lies ahead of it and not behind it.

MR. MALONEY: Shades of Mr. Jolliffe when his 33 were here. Now we have 3.

MR. MacDONALD: Let the hon. member just wait for the day.

To get around to the topic that ostensibly had some relationship with the estimates, namely, this whole business of credit restrictions; the hon. Prime Minister has, interestingly enough, sloughed over the key point. He says at the present time there is a shortage of credit as compared with a year ago.

The significant fact is that there is more credit out today than there was a year ago. The pertinent question is: who is getting the credit? The answer is that it is the big corporations who are getting it.

I would like to ask this: Would this government do one whit differently from what the government at Ottawa is doing? The answer is that I am convinced it would not, because the government has, from its record, proven itself to be just as solicitous, in its taxation policies, for example, for the big corporations as the government at Ottawa.

We have the statement the other day, of Mr. Coyne of the Bank of Canada, who looks at an economic problem and says that there has to be an answer to it. He said, in effect, that the government in Ottawa had to do far more by way of

effective controls—not the kind of ineffective controls they have—if they want to keep the lid from blowing off our economy.

The hon. Minister of Planning and Development today suggested that these controls be wiped out. Here is a great Tory who says he is going to protect the interests of the people, and says that we should wipe out the controls, when we are faced with inflation.

The bank savings of people are vanishing, and the result is we are legally pickpocketing every man, woman and child in this nation in terms of reducing the value of the accumulated wealth and savings they may have. Yet the hon. Minister of Planning and Development pronounces, *ex cathedra*, "wipe them out." The hon. Prime Minister has said it is basically an uneconomic policy in terms of what this nation needs.

What I was rather interested in was one little phrase, with a lot of nuances tucked into the Prime Minister's remarks this afternoon, in which he deplored the sort of awe-stricken attitude of certain business men with regard to Ottawa. This, translated in other terms, is that the hon. Prime Minister is saying to the business men of Ottawa who are sewed up, for a variety of reasons, to support the Liberal party with slush funds—he is chastising them and wants some money to go into the Tory party.

However, the Liberals have been in power so long in Ottawa that they have usurped the cozy position he has in Ontario.

I want to put briefly what I suggest is an alternative and constructive approach, instead of the government spending all of its time brow-beating Ottawa and making politics out of issues we should be solving here.

The hon. Minister of Planning and Development says we are going to build 20 to 30 per cent. fewer houses in this province in the next year. There is a growing gap in the housing needs of this province. This great government in Ontario 5 years ago mapped out a

shamefully inadequate programme for itself of building 5,000 low-rental homes. They mapped it out on the eve of another election, back in 1951.

When we get around to the estimates, I propose to ask the hon. Minister how many of those homes have we now constructed. A year ago — after about 5 years — we had constructed less than 2,000, and I suspect we are still in the 2,000 bracket as far as completed homes are concerned.

If we are going to have 20 to 30 per cent. fewer homes built in the province, why does not the hon. Minister of Planning and Development — because it comes under his jurisdiction — instead of putting this House on the alert with respect to credit restrictions and their impact on housing, why does not the hon. Minister get out of his ivory tower and get into action? He has a programme here for which he can get, from Ottawa, 75 per cent. of the capital. All he has to do is make it possible for these hard-strapped municipalities in the province of Ontario to meet the municipal requirements in conjunction with the provincial government, and we could build the houses to fill that gap.

I say to the hon. Prime Minister, and to the hon. Minister of Planning and Development, let them cease their brow-beating of Ottawa. Let them just get down and do the job here. Let them quit playing politics with issues that are being neglected and needs going unfulfilled for the people of Ontario at the present time.

MR. R. MACAULAY (Riverdale): Mr. Chairman, I have some disadvantage in relation to the 3 hon. members who have spoken before me, and I had no intention of speaking on this matter. But I get so sick and tired of listening to the tirades of the hon. member for York South that, once in a while, I feel it is incumbent upon a back-bencher to make some reply to some of his wild statements.

In so doing, I would like to have an opportunity of making some reference to several of the points raised by the

hon. member, and by the hon. Leader of the Opposition.

The hon. member for York South has called the speech of the hon. Prime Minister, in effect, a speech of irrelevancies, and I think perhaps, although the phrase is not aptly used, that the hon. member for York South is more an expert in the field of irrelevancies than anyone else sitting in this House. The hon. member, at the same time, accuses the government of using this and other debates in this House as an opportunity of berating the federal government and says, "quit playing politics."

I do not know any hon. member in this House who plays politics more with the interests of the people of this province than does the hon. member for York South. The things that I object to most about the hon. member for York South are these:

The hon. member is nothing more than a private hon. member in this House, and he assumes that he has the right to rise in every debate to the exclusion of almost everyone in this House, and takes precedence immediately following the hon. Leader of the Opposition.

Although I do not wish to assert myself in this regard, I would at least like to point out to the hon. member, if one counts up the pages in *Hansard* that were taken up in the debates last year, that the hon. member has a large disproportionate number of pages in his favour. I think the hon. member might be man enough to step aside and allow some other hon. members, who have just as much feeling and heart in the interests of their people, as he feels he has, and allow them to express themselves on some subjects.

The hon. member reminds me very much of a story which is said of the lover who jumped on the horse and rode off in all directions at the same time. The hon. member tends to discuss many subjects of which he has no knowledge.

I heard the hon. member speak the other evening, or not long ago, in an

interview on the radio with reference to credit restrictions, and I was alarmed that a man with some intelligence — for the hon. member is of some intelligence — should make statements such as these:

In a discussion with a woman who is an executive member of the CCF in Canada, the sort of moderate wing of the Communist party, the position he was taking was there was no less credit this year than there was last, which is perfectly true when one considers that the gross national product has risen by more than \$2 billion, and that a great percentage of it is obviously financed on credit.

But one cannot have it both ways, and although the hon. member does not realize that, it is true. What he goes on to say is this: "It is my feeling" or "I believe", or some other innocuous statement of that nature, that all of the credit that is being made over and above that amount which was granted last year is going to the big corporations, and then "bang" off we go into the field of the great beyond. The hon. member has not one single figure nor fact to back up the statement.

One of the things which I thought most reprehensible about ignorance is this:

The hon. member said, "Look at the tremendous amount of credit which was increased in the last few months last fall," which he did in his radio broadcast, and yet he never had the courage to say that of that, \$127 million was used by little people to borrow money to buy Canada savings bonds. The hon. member did not even know it, much less care whether it was true.

One of the factors, which I think is interesting about this man's argument is that, first of all, the hon. member makes reference to an article contained in the *Toronto Daily Star* and taunts the hon. Prime Minister with reference to it. I read 38 newspapers a week, and even though that took place last fall, I remember that the quote comes out of a novel by Peter Stersburg, and was not contained in an editorial.

If the hon. member wants to taunt the hon. Prime Minister with support by the editorial page and, at the same time, point out quotations which are not in his favour, he might have pointed out that the quote he was using was not from an editorial writer, but rather from one of their feature writers sitting in Ottawa, and we will not for a minute accuse Mr. Stersburg of being unbiased.

I wanted to make some reference, if I may, to several points which were raised with reference to the speech made by the hon. Leader of the Opposition. The hon. Leader of the Opposition started out his speech by saying that the hon. Prime Minister was one of the "arch stuffers."

Well, I first of all point out to the hon. Leader of the Opposition that there are only two funds in Ontario into which money can be, as he calls it, stuffed. One is the sinking fund, which is used for the payment of debt. I would be interested to hear the hon. member on that subject, if he would suggest that we put no more money into the sinking fund to reduce the debt.

If he does suggest this, the hon. leader, at least, does not agree with his colleague, the hon. member for Waterloo North, who advocates that more should be put in and in a more planned way.

Secondly, the other fund was at one time called the highway improvement fund, which was set up during the Drury regime, and the hon. member for Brant, as I recall it, was a supporter of the government during that regime. It was then changed in 1952, as I recall, to the highway reserve account, and I think, at the suggestion of the hon. Leader of the Opposition, who gave a rather impassioned speech that the fund, which, having been set up, had lost largely the identity of its original purpose, and should be changed.

These are the only two funds in which money in Ontario can, so-called, be stuffed. The money which is so-called stuffed into the sinking fund is money which is used, in fact, to repay and

reduce our debt. The money which goes into the highway reserve fund is money which is spent on highways.

The point which the hon. Prime Minister was raising was this:

The \$500 million or more was shoved into an account, and the account is set up for the purpose of offsetting any losses which might come about as a result of selling or realizing on any assets of the federal government. Yet they had no occasion to take one dollar out of it from the time it was set up until last year when they removed an amount of money, not for the purpose of the fund, but under an entirely different heading, and there still remains \$500 million of actual cash sitting in a fund which is not being made use of. The federal government has done this at a time when, as the hon. Prime Minister points out, there are provinces in this great country of ours which are facing deficits and increasing debts.

Turning to the next point, if I may, the hon. member raised an additional point which he has never really understood, and if it were not for his reader I doubt if he would have been able to have made much discussion in relation to the taxation agreements.

I do not want to be unduly unkind about this because it is an extremely complicated subject.

The hon. member said the government is going to go on raising succession duties; it is going to raise corporation taxes, and at the same time is going to lease personal income tax and is going to obtain \$30 million more than it obtained last year. The suggestion is that the \$30 million is coming by way of an adjustment on some kind of an agreement, whereas the fact is that if the agreements had been continued into next year, the amount would have been far greater than the amount which the hon. member is discussing.

In short, the hon. member is suggesting as he has in some places in Ontario, I believe, that this province should not sign agreements and should raise

all of its own taxes. I think the hon. member suggests that this is a better method of financing.

MR. OLIVER: It is either one thing or the other.

MR. MACAULAY: Right. Whereas the hon. member for Waterloo North suggests that tax agreements should be executed.

The problem is that one cannot have both sides of the coin at the same time. Therefore, the government has taken upon itself to try to devote this matter into the greatest interest it can on behalf of the people of the province of Ontario.

When the hon. Prime Minister made reference to his questioning the sanity of the budget in Ottawa, I was reminded of the story that Mr. Hepburn said about Ottawa, when he said that Ottawa was the only mental institution in the world run by its own inmates.

I do not know that I wonder at Mr. Hepburn's reaction now that I think about it, and I wonder whether Mr. Hepburn's reaction to it would have been any different than it was in those days. In those days, it certainly had the support for some time of several of the hon. members opposite.

The hon. member is suggesting, and he has suggested, that if we did not want to sign a tax agreement, this province could have raised its own taxes. Yet, the very moment the hon. member rises on another occasion to discuss the budget, he suggests there is no occasion upon which we should have been raising taxes.

I simply find it impossible to understand the hon. member's position. I think he is leaving this impression: If we want more money, we do not need to sign that agreement, we can raise our own taxes. Yet, we raise our own taxes, and he says we cannot support them. Therefore, we are driven to the only alternative, of accepting the agreement. Now, that, of course, follows as surely as a syllogism.

The hon. member says further in his speech that he feels that the taxation responsibilities are well defined. If the hon. member thinks so, he is indeed very fortunate, because the privy council has never been able to come to that conclusion; neither have any members of the legal profession who deal with constitutional matters, nor does the hon. member agree with the statements made in the budget address of hon. Mr. Harris last year or in his statement made this last summer when Bill No. 442 was presented.

The hon. member, in suggesting that the fields of responsibility, the tax powers, are well defined, is begging the question. This very problem has arisen because they are not well defined and because there is a duplication of duties without an equal opportunity of raising funds.

Lastly, I would say this about the hon. member's comments today, they are over-written, over-clouded and painted with the whole suggestion that what he is really interested in is maintaining the Ottawa *status quo* rather than maintaining the position of the people of this province.

He says that we have not been fair to the municipalities, and yet when one considers the increase in grants which have been made available to municipalities in the period of time this government has been in power, I find it hard to understand how he can say that. But he suggests it is so, and for that purpose, perhaps, that is sufficient at any rate in his opinion.

He says we are not short of money. Well, if we are not short of money I find it hard to understand why it is necessary to go on paying for a great deal of our capital expenditures out of borrowing.

The simple fact is that we are out of money, and that we have to raise money, and are increasing our debt. We are one of the few provinces in Canada which are doing so, and we are doing so because we are asked to carry the entire preposterous load of this finan-

cial jungle that Ottawa has gotten us into.

Part of the load which has been loaded onto our shoulders is a \$20 million grant which is going to be made to Alberta so that they can turn around and pass it back to their own people. Half of that money was raised in this province.

To suggest, to even intimate, that we are not short of money, I respectfully submit is simply preposterous. It is failing to acknowledge the facts.

The hon. member spoke about the credit restrictions, and said so many inconsistent things in this House, this year, that it is difficult really to follow him. Mr. Harris has pointed out that if he were to reduce taxes it would be an aggravation of inflation; if more money is made available to the people in forms of increased pensions and so forth, it is an aggravation of the pressures of inflation. Yet the hon. member has suggested in every speech that he has made that more money be put into the hands of the people in one form or another, which is entirely inconsistent with the propositions which have been advanced by the hon. Mr. Harris.

He says himself he does not know what credit restrictions should be imposed in this country and on our economy, but with great respect I think there are two.

I think there should have been greater control in relation to the finance companies advancing money on the things to which the hon. Prime Minister has made reference.

But there is an additional one and I think that this government has not the courage to take it now, the federal government has not the courage to take it now but will have to take it after the election and will hope they do not have to pay the price of doing it and paying for their own courage.

That is, they will have to have some type of legislation whereby there is some power to control the investment in capital improvements, so that capital im-

provements can be made in the fields of municipal expense and other necessary capital fields where there can be some control, rather than money being fed into every field generally and without any control.

That is an unpopular move by any government, yet it had to be taken in wartime and if the hon. member, as he spoke today with so much feeling of the confidence of the people in his own party, if he really feels they understand him and his party as much as he thinks they do, then I think they will understand that the federal government acts like a man and seizes the opportunity to set up a board which would have some control over the amount of capital development in this country, while there is inflationary pressure put on, so there could be, and should be, some control over matters in that connection.

I only want to suggest in conclusion to the hon. member who, every time any one mentions anything that he has mentioned, thinks apparently that it is CCF. I will have an opportunity next year and I am now working on the speech, to reply to the hon. member, and to draw the analogy between his party and Communism, and show hon. members just what the two of them stand for. But I want the hon. member to remember this, there is not a single policy in the hon. member's party that I can find, except for small appendages on the edge, which were not produced first by Lenin. When we come to analyze these things, the hon. member perhaps may be somewhat more tolerant of persons who think in terms of tomorrow rather than just yesterday, so that he will not try to smudge them all over with the suggestion that they therefore, having been CCF, have been stolen.

I can say to the hon. member only this, and I think it is the most unfortunate thing about him, he is a man of some considerable capacity but is a man who cannot believe that there can be a sincere difference of opinion between two men, and that if a person does not agree with him, it is not because that person has a sincere disbelief in his theory, his point

of view is that the person must have something smelly, something dirty, some dirty motive behind him.

I say to the hon. member I should think he would give some of us hon. members more credit, if he has any consideration of the things for which we stand in this party, or as individuals, and stop trying to throw mud at every man who stands up with some honest feeling on a subject.

The second point, and I do not mean to tear the hon. member into shreds, I will do that next year, but I get sick and tired of looking at that smirk on his face, if he only knew how ill it made more people he would realize that that, combined with the innuendo that everybody has some foul, dirty motive for opposing something he stands for, does him only harm, he would get on a great deal better in this House and would carry a great deal more weight in this province as indeed he might be welcome to.

MR. MacDONALD: He never permits questions.

MR. WINTERMEYER: Mr. Chairman, if I might be permitted to direct a few comments to the general subject which unexpectedly has come to our attention, I find myself in the same position as the hon. member for Riverdale. I did not expect to speak on this subject but I think, with the hon. Prime Minister having introduced the subject, that it is our responsibility to debate this matter through to the end at this particular time.

While sitting here, I was reminded of a saying of Adlai Stevenson during the last campaign: I think he said something to the effect that it is one thing to fight for a principle and another thing to live up to that principle.

I must say, that the fine speech of the hon. Prime Minister could have been delivered from this side of the House and from my very position during the budgetary comments, because what he was saying with reference to the \$500 million surplus that Ottawa has is what

I have been saying for the last two years with respect to our own surplus.

The hon. Prime Minister has suggested that Ottawa has tucked away in some back shelf \$500 million out of a total of \$5.2 billion — or 10 per cent. A quick calculation on the budget estimates for Ontario would suggest that our surplus of approximately \$60 million — and do not let anybody talk otherwise because the fact of the matter is that we put \$37 million in the highway reserve fund — represents 14 per cent. of our total budget.

When we are talking about surpluses let us be consistent and relative. The Ottawa budget is on a different plane than ours. They are talking about a budget of \$5,000 million. We are talking about a budget of \$430 million. On a percentage basis, our surplus is just as great as theirs, but we have had the ingenuity, over a period of years, to hide that surplus.

I hesitated to use that word in any budget criticism I have made thus far, except that the hon. Prime Minister used exactly the same type of word with reference to the Ottawa position.

I have been impressed many times by the hon. Prime Minister when he rose in this House and criticized us on this side for being satellites, if you will, of Ottawa. But, with deference, nobody has ever attempted to fight a political federal debate in this House as enthusiastically and as openly as the hon. Prime Minister did this afternoon. I would suggest to the hon. Prime Minister that it is high time that he lived up to the principles that he enunciates, and not merely give overt expression to them.

The fact is that we, here, are interested in Ontario. We have made some constructive suggestions with respect to those things that arise in Ontario in respect to municipalities and the like. If he wants to fight the fiscal programme here, we will do so, but let us recognize that that is exactly what the hon. Prime Minister, who has criticized opposition hon. members in this House for doing,

has done this afternoon to a degree that we would have hesitated to do at any time in the history of this Legislature.

I would point out that, at least Ottawa, in regard to this surplus, has effected a debt management. Granted they have had the type of surplus they have had, they have at least effected a reduction in their over-all debt. We have been unsuccessful in doing that, and to that extent we must be criticized.

Frankly, I do not believe all the answers lie in this \$500 million at all. It is an under-estimate of revenue each year.

I cannot be too critical of the Ottawa position, or our own, as long as we recognize that in Ontario we have under-estimated our revenue by 14 per cent., and acknowledge that the federal government has done approximately the same thing by under-estimating its revenue by 10 per cent. We are in no position to call the kettle black. The fact is that we are in the same position relative to this under-estimate, with this additional fact, that we have not been successful in attacking our debt position.

It is true that we have paid some money towards debt reduction, but the hon. member for Riverdale will acknowledge that, in addition to the various funds to which we direct our surplus, there is another source and that is our supplementary estimated payments at the expiration of each fiscal year. That, I will grant, goes to debt reduction, but in an undetermined fashion, and therein lies the real basic criticism.

I would say that in part I agree with what has been said this afternoon, and I am not afraid, as the hon. member for Riverdale said he was not afraid, to rise and say that, unfortunately, some of the effects of credit restriction do work a hardship at our level. I will acknowledge that, and if, in some way, the hon. members of this government can constructively suggest ways and means to Ottawa to alleviate the burden that is falling on the municipalities, we certainly will do what we can to agree with them and act as emissaries or other-

wise assist in the matter. I think, in that, the government is right, and I am quite prepared to accept it.

But Ottawa did not do this deliberately to hurt municipalities. It happened to be the incidental effect of an over-all credit restriction programme. It is an undesirable, unwanted and unfortunate one, and any constructive suggestion to alleviate it will be given real consideration by this side of the House at any time.

Mr. Chairman, the second point I would like to make is that we hear all the talk about tax agreements, about the terrible status of Nova Scotia and the unfortunate situation that exists in Alberta; but the fact of the matter is this, that a year ago, when the good gentlemen from the government had the opportunity to go to Ottawa and make suggestions or revisions, the only suggested amendment they made was that the rebate be increased from the current rates of 9 and 10 per cent. to 15 per cent. They made no suggestions with respect to equalization.

The only suggestion they made was that, instead of averaging the two top provinces, it should be the average of all the provinces. By that formula they would have been giving to Nova Scotia less money, and they are not in a position to rise in this House and say that that formula, or the Ottawa formula, is unfair, or unwise, because that when they had the opportunity to make suggestions —

HON. MR. FROST: I do not want to interrupt the hon. member's very interesting address, but would point out to him that he is incorrect in that submission. We did present ways and means to the federal government of equalizing this amount, assisting all of the provinces, but particularly routing money, as it should have been, to the maritime provinces where for the federal government, 15 million or 20 million dollars is a mere nothing. It should have been done, and also the developmental problems of British Columbia should have been put in a more favourable position.

MR. WINTERMEYER: What the hon. Prime Minister has said is fine, but with deference I would ask what was his specific recommendation at that conference? Could the hon. Prime Minister tell us that? Instead of averaging the first top provinces they took a national average—

HON. MR. FROST: Not all of them; I think it was an average—

MR. WINTERMEYER: —of the first 3?

HON. MR. FROST: I think it was either 3 or 4; and then remedying the situation in the Maritimes by recognizing that those great provinces have no great hinterland such as the other provinces have, and particularly recognize the plight of Nova Scotia and New Brunswick, and, I suppose, to an extent also, the province of Prince Edward Island.

MR. WINTERMEYER: I would point out to the hon. Prime Minister that if that recommendation was made at that time, it was not given the degree of publicity that his other suggestion received, that of averaging the first 3 or 4 provinces.

With respect to Prince Edward Island, the federal government did exactly what he suggested, and it may be—I am not here to defend every bit of this agreement—it may be it would be a good idea to have a subsidy if it is related to needs and not to the idea of a per capita payment. That may be so.

But the effect of the basic theory which Ontario promulgated at those conferences would not have been to put any more money into those provinces than there is going in at the present time.

HON. MR. FROST: No, that is wrong.

MR. WINTERMEYER: All right. It may be that we have a difference of opinion here, Mr. Chairman, but I have certainly taken that position before and

it has not been challenged. Now we have the hon. Prime Minister making this observation. I was not there. He was there. If that is what he did say, that is fine. I will not quarrel with it.

AN HON. MEMBER: It is on the record.

MR. WINTERMEYER: But the general impression which the public at large received was that the hon. Prime Minister suggested an average of the first 3 or 4 provinces, and I have to say this, that that formula would not have assisted them.

Mr. Chairman, there are one or two other matters to which I would like to make reference at this particular time.

We have heard talk about the university grants and the suggestion that they were unwise to the extent that they were payments of capital expenditure extending into the future and beyond the needs of universities.

With deference again, I do not think the payments are beyond the needs of the universities. It may be that they are capital expenses that will project themselves into the future.

But the hon. Prime Minister must acknowledge this, that when that \$100 million was set up, the Rt. hon. Prime Minister of Canada (Mr. St. Laurent) specifically said that that particular sum of money came, perchance, to the federal treasury as a result of two extraordinary succession duty levies; two very wealthy men in Canada, perchance, died last year, leaving a total of \$100 million in succession duties.

We maintain that nobody could have envisaged or expected that, and the Rt. hon. Prime Minister of Canada at the time said that when succession duties were first formulated in this Dominion, they had as one of their basic purposes the assembly of money, if you will, for charitable and educational purposes. That was the reason for succession duties at the outset.

HON. MR. FROST: That is a curious way to run the finances of a department. What would happen in this province if we were to say: "Now, John Jones is a multi-millionaire. When he dies we will receive a lot of money and we can do so-and-so"?

MR. WINTERMEYER: I think the hon. Prime Minister has a point, because, ostensibly, one can criticize that as un-businesslike; but the fact of the matter is that no business man could have foreseen the death of two men of extraordinary wealth in one year. I suggest that this windfall—and that is exactly what we can term the payment—could not have been actuarially expected, and, I cannot think of a more worthy object than that to which the payment was made.

HON. MR. FROST: I would point out to the hon. member that when a man gets to be over 80 years of age we might reasonably assume that he would not live forever.

MR. WINTERMEYER: I would say that the man whom the hon. Prime Minister is talking about, namely, Sir James Dunn, expected to live to 105, and he said that publicly on numerous occasions. And he was well on the way until some unfortunate catastrophe overtook him.

MR. MacDONALD: In anticipation, who is the government budgeting for in the next year?

HON. MR. FROST: When I used to bring down a budget before I retired as Provincial Treasurer, I did not budget on the basis of hoping that somebody would die; I hoped that they would live forever.

MR. WINTERMEYER: In conclusion, there is only one other point I wish to make, and that is that we on this side of the House can be pre-eminently proud of the position we have taken thus far, and we now do not have to worry about

being called "stooges" of Ottawa and "satellites" and the like, because if there are degrees of "stoogery" the best has been demonstrated here this afternoon.

I think we have every right to state in this House that we are as interested in the people of Ontario as hon. members across the way, and as soon as we can be convinced in our own minds of that position then we can speak with a degree of authority.

I respectfully suggest, Mr. Chairman, that, interesting as this is as a debate we feel that an occasion in this House should not be used to promote a federal debate, because that is exactly what has been attempted this afternoon. I think the hon. Prime Minister had more interest in the interests of hon. Mr. John Diefenbaker than he had in the little people of this province when he inaugurated the particular debate that has ensued this afternoon.

Mr. Chairman, in saying that, I do not want to be personally critical of the hon. Prime Minister. He has a right to do that, but if he has a right to do that, we have an opportunity and a right to challenge him, and I think it is our obligation and our duty to challenge him in the position he has taken.

On vote 1,301:

MR. MacDONALD: Will the hon. Minister indicate under which one of these estimates the problem of redevelopment comes?

HON. MR. NICKLE: Does the hon. member mean with respect to housing?

MR. MacDONALD: Well, general redevelopment, for example, the various programmes. Perhaps as it is under general estimates, this is where I may ask the question.

There has been a lot of discussion in the papers during the last year as to what exactly was the dividing line between the province and the municipality in such redevelopments as are being

considered in the metropolitan area, for example. Would the hon. Minister comment on that whole problem?

HON. MR. NICKLE: The best answer I think I can give the hon. member for York South, without trying to be evasive, is that in connection with land assembly, we have 25 per cent. of the investment and the federal government 75 per cent.

In connection with our civil defence programme, if he wants me to go into the subject that deeply, we pay 25 per cent. to match the municipality's 25 per cent. and the federal government pays 50 per cent. In relation to the expenses incidental to civil defence administration, these are shared 50-50.

In relation to industry, that is our own problem. I do not know whether I have been of much assistance.

MR. MacDONALD: I was thinking of the Parliament syndicate and these various other projects which have emerged, and with respect to which there has been considerable controversy in the last year.

For instance, in the case of the Parliament syndicate, there was some question at one point as to whether or not it was the obligation of the provincial government to step in, because for a while it appeared there was going to be authorization for a project which did not conform with the advice of the urban redevelopment report in the metropolitan area. More particularly, that is what I had in mind.

HON. MR. NICKLE: On that score, in relation to the Parliament syndicate, a question was asked as to whether that particular part of the metropolitan area of Toronto should be established as a redevelopment area.

It may be recalled that there were some reports in the newspapers that this Parliament syndicate had been able to purchase a certain amount of real estate as part of their over-all programme.

Then there was some land which they were unable to acquire and I believe, and I want to be very frank with the hon. member, they thought that perhaps a submission to my department would have the result that I would declare this a redevelopment area, and do for the syndicate what the syndicate could not do for themselves. I would not accept that, and there the matter ended.

MR. R. WHICHER (Bruce): Mr. Chairman, on item No. 5 of vote 1,301, "exhibits, publications, etc., \$19,500." I notice that was not in the estimates last year. Is this something new?

HON. MR. NICKLE: We are this year setting this sum up to make available for our exhibits—such as the conservation aspect at the sportsmen's show, our exhibit at the Canadian National Exhibition, the Central Canada Exhibition, and the London Fair.

As I said in my speech this afternoon, in 1955 when I took over this department, some of its branches were scattered here and there, but I have now a building of my own—perhaps I should not say of my own, but it is the one which I occupy.

Each department was running its own exhibits, and I thought it best, now that I have a Deputy Minister—a very capable gentleman indeed, who was at one time, as I said the other day in the House, the president of the Toronto civil service association, to organize our exhibits through main office.

We have a very excellent man, Mr. A. H. Richardson, who is doing this. He seems to have a flair for this sort of thing and it is concentrated there now, and taken out of the branches.

Vote 1,301 agreed to.

On vote 1,302:

MR. WHICHER: Mr. Chairman, with respect to the civil defence branch, I wonder if the hon. Minister would give a short explanation of that? Could

we hear how it is being carried on, the co-operation with the federal government and what good the programme is doing?

HON. MR. NICKLE: The best answer I can give to the hon. member is this: that before I held the post of Minister of Planning and Development, I think even before I was Provincial Secretary, the hon. Mr. P. Martin came here from Ottawa, and, with his political persuasiveness, met the hon. Prime Minister and suggested to him that the province should go into the question of civil defence.

At that time, we were to come into it in relation to the grants to the areas to the extent of 25 per cent.; 25 per cent. to be paid by the municipality; and the remaining 50 per cent. by the federal government, with administrative costs to be shared between Ottawa and the province 50-50.

We found we had to start from scratch, and I looked around for someone whom I thought was qualified and I got a man by the name of Mr. Bevis, who had been a commander in the navy, a man with a good war record. Being an old soldier myself, I thought as he knew something about offensive tactics, that he would know something about defence. We are now measuring up to this situation on the question that in the event, God forbid, that there should be a third world war, that evacuation is the problem.

When I was in England last summer, one night I was at a supper party and one of the guests was Field Marshal Earl Alexander, a man whom I think everyone will agree is a fair sort of soldier. I talked to the field marshal, and I may say it was the first time I ever had the opportunity of talking to a field marshal.

I asked him his advice in relation to civil defence and he told me that he thought civil defence if for no other reason would justify itself by the stabilizing effect it has on the population of any country that was likely to be in

the area of attack, should there be a third world war.

He went on to say that in the Battle of Britain, when the veterans of World War I, who were by then in the reserve, or the territorials, came out on the roofs as wardens, they had a steadying effect on the people of London, of Coventry, and so on.

I asked the field marshal: "May I quote that statement about civil defence being a worthwhile project?" He said: "Without reservation."

I have much more faith in the views of the field marshal as to the wisdom of this course than I have confidence in my own opinion. I think I have gone to the top, to a great man, who knows adversity and also success.

MR. A. WREN (Kenora): Mr. Chairman, in the matter of civil defence, I too happen to have had some experience with it in Britain, and while I certainly am not going to pose as an expert on the subject, I am concerned about the appropriation of \$393,000 by this department toward this end.

To be quite frank, I do not think that Ottawa should ever have requested Ontario to get into the matter of civil defence. I think we are destroying a certain amount of public confidence in civil defence itself, should an attack occur, and without being critical, just because we have not any organization at all in the real sense, I would make this suggestion for what it is worth.

In this matter of civil defence, not only in Ontario but in all the provinces — civil defence should be handed back to Ottawa where it properly belongs. I agree with one military expert who made this suggestion that the whole matter of civil defence should be placed in the hands of our reserve army. There are many suggestions that have been made, and being an air force man myself, I did not want to get into any inter-service dispute.

There are a lot of things said about certain branches of the military services not having too much to do. I think the

reserve army and militia, as we know it, is a very fine organization and would not like to see that *esprit de corps*, and the service itself, disappear because some hon. members of the government think they cannot find enough for them to do.

We have the officers, the non-commissioned officers, and the men who are already on a part-time basis who could, quite readily, fit into this civil defence. They have the organization at their fingertips; they have the buildings and vehicles, and are trained in first aid. They have all the facilities and a great deal of the training which would be necessary if an attack did occur and, surely, in this day and age no one in civil life can predict what form an attack might take if it did come.

These people, themselves, by the very nature of their reserve army experience are in much closer touch with military development, as such, than any of the hon. members in the Legislature or the civil hon. members of the House of Commons would ever be.

If I were the hon. Minister of this department, I would not consider it necessary to spend anything on civil defence and would consider the thing to do would be to hand it properly back to Ottawa where it belongs and where they have sufficient reserve army units to take it over.

I think, actually, if an attack should occur at any time in metropolitan Toronto, we would all be running around like chickens with their heads cut off. There is no one who has any authority and, also, although I may be wrong in this, in this city I have not seen any emergency shelters or directions leading to them. Of course, we have the subway, which is in itself one shelter.

Again, I say, this is not a matter we should be playing around with in an amateur way. We should give it to the people who have the organization, the staff and reserves to do a good job.

MR. A. GROSSMAN (St. Andrew): I would like to say something about

this matter of civil defence to the hon. members of this House. I think it is in order, at this time, to say to the hon. members that in metropolitan Toronto there is a very good civil defence organization being established. Of course, it is not up to par as yet, but for the period of time it has been an organization, there is a very good machine being built up. I think the hon. members will be pleasantly surprised, perhaps, within a few months, as to the exact degree.

MR. WREN: What if there is an attack tonight?

MR. GROSSMAN: There is always some stage, when one is building up an organization, when one would be in a pretty bad state if there should be an attack.

I want to say this, too, and it is probably as good a time as any: one factor in civil defence today is the attitude of the people that civil defence to some extent is a pretty useless thing because of atomic and hydrogen warfare. This is an attitude which all civil defence organizations are fighting today, and it is causing them considerable difficulty. It is time, I think, for people to understand that civil defence does not necessarily have to be civil defence against hydrogen or atomic war to be of value. We might, conceivably, have an emergency, even with respect to warfare, which might not be atomic warfare.

I think the hon. members will recall in the last war there was a great danger of the use of poison gas which, however, was never used. But I do not think we should ignore our civil defence merely because of the attitude that hydrogen and atomic warfare is such a horrible thing today that there is little we can do against it.

We have had some experience in civil defence in Toronto; I have been present at a number of conferences with General Worthington, and went into all these problems.

Regardless of the fact that civil defence may never have an occasion to

go into operation, in defence against warfare, civil defence has a great many other aspects which can be of great value to the public, generally, in other emergencies.

Vote 1,302 agreed to.

On vote 1,303:

MR. WINTERMEYER: Mr. Chairman, I wonder if the hon. Minister would make some basic explanation of what his department intends to do, community planning wise, in the next few years? To be more specific, in my own area, a real problem exists in that triangular area of Galt, Guelph and Kitchener. Actually no community has jurisdiction, and in many instances it is a contiguous and adjoining jurisdiction. It seems to me that this is where the department should be giving some leadership and direction.

We certainly do not want the situation to develop where industry finds itself in the middle of that area, and nobody has any authority to determine where industry and residences shall be located, and what general use will be made of the land.

My question is this: What is the department doing about that kind of problem at the present time?

HON. MR. NICKLE: The best answer I can give the hon. member is this:

We are a co-ordinating department, and we try to suggest to the municipalities, in relation to planning, what has been our experience as to what is best for them, and we urge them to have an official plan. In relation to the official plan, it is suggested the industrial areas should be set out, the housing area should be designated, there should be reservation for parks or open spaces.

The hon. member is a lawyer and knows, just as well as I do, the relationship of different parts of a city. There may be some highways, at the present time, that are narrow and curved.

We suggest in the case of the official plan that for the development of the future, houses should go back, the highway should be broadened, and the vision that the operator of a motor vehicle has, in those sort of things, has improved.

We suggest, in relation to industrial areas, that consideration should be given as to where they should be located in the event of there being a large body of water in the vicinity. Some industries want fast flowing, cold water with no sand, if possible, in the water, coming from a rock foundation, and others are not so particular. Some industries want rock foundations for their structures, and others want clay.

What we try to do in our offices in New York, Chicago and London, is to get from every city all the information possible about every conceivable enquiry that can be made about what there is to offer, because industry today is looking around. One cannot go to industry and say, "Go there"; that we do not do. They tell us what they want, and we point out the areas where we think they can, by and large, find the requirements having regard to the particular industry's demands.

MR. WINTERMEYER: The hon. Minister has in a large part answered my question, but this was the specific problem: Kitchener decided to annex some of the adjoining township land, with a very open intention of building up parks and the surrounding area with some degree of planning. As soon as that application was made, a terrific political furore took place, and the township objected strenuously.

An appeal was made to the municipal board, and that appeal has never been handed down. It seems to me, however, that the hon. Minister's department is the one department that could exercise some ingenuity and go in ahead. We all agree with what should be done, but nobody has the authority to do what should be done outside of the jurisdiction of these various municipalities.

Kitchener cannot decide to build a park scheme outside its own boundaries,

and yet, within 10 or 15 years, we are going to have a continuous, completely urban area in this triangular area system of 250,000 people. We certainly do not want an industry in the middle of it.

HON. MR. NICKLE: I think the hon. member is best answered by saying that in the set of circumstances to which he refers, that would be where there would be a joint planning board. As I said this afternoon, if the hon. member would like any of my top persons from any of my branches to go to Kitchener and call in at his office, and take them over to the city hall to meet the mayor or the council, no matter what the problem may be, we will be there. All the hon. member has to do is to telephone anytime or speak to me tonight. However, let me say this, we do not go in and tell people what to do.

MR. WINTERMEYER: Does the hon. Minister think that is what should happen?

HON. MR. NICKLE: No, being a member of the same great profession as the hon. member, I have always thought that free advice was rather bad. So, under the circumstances, the attitude we have taken, which was that of my predecessors, is simply that our knowledge and experience, having regard to what we have achieved, is available to anyone, and we will give it on request.

MR. WINTERMEYER: Well, this particular branch is an advisory branch.

HON. MR. NICKLE: It is a coordinating branch of government.

MR. WINTERMEYER: Yes, if the hon. Minister wishes to call it that. I believe in municipal responsibility, but here is a situation about which the municipality cannot do anything. In New York state, I understand that is exactly what they are doing—building up park areas; and Pennsylvania is doing the same. I think we should give serious consideration as to whether or not we

can take some degree of leadership in a plan of this sort.

HON. MR. NICKLE: Is the hon. member suggesting that my branches should go into municipal areas without first being invited?

MR. WINTERMEYER: Certainly there is a diplomatic way of doing everything. To land suddenly on their doorsteps and say, "We are going to do this", would be indiscreet. However, if we are going to tackle this problem, somebody has to have the authority and settle this planning, in this currently unplanned and populated area which very soon is going to be urbanized.

HON. MR. NICKLE: The very first thing I said in connection with my short speech on estimates this afternoon, the very first sentence that fell from my lips, was to ask all the hon. members to go back to their constituencies and indicate to the chambers of commerce and the municipal councils that the people in my branch are available to sit in with them and give them the benefit of their experience.

That is the reason I made that statement, and it would probably help solve the problem to which the hon. member refers.

MR. WINTERMEYER: I accept that very genuinely, and I think the hon. Minister means it. But the hon. Minister is realistic enough to know that in this area there are competing interests. The township does not want it planned the way the city wants it, and somebody has to take leadership.

MR. H. WORTON (Wellington South): Mr. Chairman, I was wondering if the hon. Minister could advise me as to what success the regional development of planning have had in that area?

HON. MR. NICKLE: Which area?

MR. WORTON: In the Waterloo-Wellington-Kitchener set-up, the re-

gional development group formed last year.

HON. MR. NICKLE: I am not trying to evade the hon. member's question, but that is a matter which comes under trade and industry, and if the hon. member would leave that question until vote 1,306, it could be answered then.

MR. P. MANLEY (Stormont): Mr. Chairman, vote 1,303, item No. 6, "services in connection with the area affected by the St. Lawrence."

First of all, I want to say that I certainly appreciate the co-operation that the hon. Minister and his staff have given to the different people from the St. Lawrence valley, and the great assistance that his department has given in that area. I was very much interested in what he had to say this afternoon and the fact that he was going to institute a pilot plan to take care of the St. Lawrence valley in regard to industry and other developments.

I notice that item No. 6 has been cut from \$30,000 to \$15,000. Part of that has to do with the review board that has been set up there to look over the different negotiations between the property owners and Hydro.

I would not want for a moment to have the hon. Minister leave the impression in this House, but I think he said this afternoon that not one of those people were left who were settled with Hydro—that there was not one who was not satisfied.

HON. MR. NICKLE: No, I did not say that. I said I knew of no case that had not been finalized. I said by and large, or generally speaking, they were reasonably satisfied. They are not 100 per cent. satisfied. The hon. member knows that and I know it.

What I am trying to say, if I may just answer the question, is when the reeves of the municipalities in the St. Lawrence seaway came here to see the hon. Prime Minister, the hon. Prime

Minister said he would establish a St. Lawrence committee from my department to go there and visit these people, get first-hand information, sit in with the meetings of the councils and try to find out what was going on.

That was done. The hon. member knows that.

Then there was a board of review where people could come with their complaints. If they were not satisfied there, they could go to the Ontario municipal board.

The hon. member knows that everybody was not 100 per cent. satisfied. It is pretty hard for a government to keep that percentage. However, there are not a great number of unsettled or unfinalized claims pending.

MR. MANLEY: I would like to get this straight. The hon. Minister says that there are not a great many that are not finalized.

HON. MR. NICKLE: I do not know of any that are not finalized.

MR. MANLEY: The hon. Minister means that there are a number of people in the seaway valley who have not been approached as yet.

HON. MR. NICKLE: Yes. But the hon. member has to distinguish between the land that is being expropriated by the federal government for the seaway, as opposed to the land that is being expropriated by the hydro power project. We have to distinguish between those two. One minute it is the hon. member's friend hon. Mr. Chevrier who is being pressed, and the next it is myself.

MR. MANLEY: Let me go a little further, Mr. Chairman. I think the records would show there is a greater percentage of the people being affected by the hydro project where cases have not been finalized, and have not been approached, than what there have been under the St. Lawrence seaway.

With regard to the board of review, I would like the hon. Minister to tell us how many cases have gone before the board of review in this last year, and how many cases are pending, or the number of cases the board of review actually sat upon during the last year?

The figure has been cut down from \$30,000. to \$15,000. Is it the opinion of the hon. Minister that the board of review is of no more use, no more people are going to come before it, or that it does not establish the purpose for which it was set up, or that the people in the area have not got the confidence in it and they do not want to come before the board of review? Why has the amount of money been cut in half?

HON. MR. NICKLE: I ask the hon. member if he would try to remember the night I was in Cornwall when I spoke and brought greetings on behalf of this government to the people of that fine county from which he comes—the evening I was host of the Toronto board of trade. At the head table, there were reeves of two or three mainly interested municipalities. Does the hon. member remember some of the complimentary remarks that were made? It was rather refreshing, was it not?

MR. MANLEY: The hon. Minister has not answered my question. I will agree there is confidence. There is confidence from certain people in the area. On the other hand, it is just the reverse.

HON. MR. NICKLE: One application is pending to the board of review.

MR. MANLEY: How many have gone before the board of review during the past year?

HON. MR. NICKLE: Does the hon. member mean 1956?

MR. MANLEY: Yes.

HON. MR. NICKLE: I do not know.

MR. R. CONNELL (Minister Without Portfolio): I believe the number is 12. I think there have been 12 cases before the board of review as far as the hydro situation is concerned.

Votes 1,303 and 1,304 agreed to.

On vote 1,305:

MR. R. GIBBORN (Wentworth East): Mr. Chairman, I would like to clear up a point. The total for Ontario House in London, that would be converted at a rate of exchange in English money, all or in part. What rate would be used at the present time?

HON. MR. NICKLE: \$2.80.

MR. GIBBORN: I was just checking the public accounts for 1956, and I see at the bottom of page L-10, "living allowances", and then at the top of L-11, "expenses", that they are converted at the rate of \$4.04. I do not believe it has ever been over \$3 in the past several years. What would be the reason for that?

HON. MR. NICKLE: \$2.80. The pound, as I understand it, in dollars, is across the board \$2.80. In relation to living expenses, it is \$4.04.

MR. WHICHER: Mr. Chairman, I have two questions to ask in regard to Ontario House.

The first one is this. I just want a short explanation as to what purpose Ontario House serves, and secondly, does its immigration service duplicate the federal government's immigration service in any way?

HON. MR. NICKLE: I say to the hon. member that the agent-general is the representative of the hon. Prime Minister, or all the hon. Ministers of the government, and tries to co-ordinate or deal with high officials in the United Kingdom in connection with any problem that may exist between one department of this government and some department over there.

For the purpose of these estimates, Ontario House comes under my department. The agent-general fans out into two subdivisions, mainly. One is industry and the other is immigration.

In relation to the industrial side, our representative visits the top people in the Board of Trade in London, the British government, Scotland, Ireland, Wales, and the continent, and contacts the top civil servants of the governments over there with a view to seeing whether or not any of the people in the areas I have mentioned are interested in establishing new companies in this province.

There is an old saying, and the hon. member will recall it, that it is an unwise man who puts all his eggs in one basket. England learned that at a time when the hon. member was over there in World War II. The hon. member knows that sometimes direct hits would demolish the capital assets of the corporation and/or a family as quickly as that.

There is some thinking on the part of industrialists in Europe and the United Kingdom that perhaps, rather than enlarge some of their bigger plants now, it might be sound policy to institute a decentralization programme and get the smaller ones into the provinces. We say that we have certain advantages which the province of Ontario can offer, and that is the reason we have our people calling on them.

As a soldier of World War II, the hon. member for Bruce will agree with that: that there may be some merit in trying to get some of the subsidiary companies to establish here and make available employment for our New Canadians. I do not think he will quarrel with that at all.

The hon. member's second question was in relation to immigration. I think he will agree also with the immigration situation in relation to the province of Ontario.

We are heavily industrialized and people are interested in knowing something about the main class of industry,

the rates of pay, and the very excellent Labour Relations Act we have here in relation to collective bargaining.

The industrialists want to know what their rights are, if they are going into industry and, by and large, we give them what I might call the provincial information insofar as those who wish to come to the Dominion. They are free to go to Saskatchewan House or Alberta House, we all have our agencies there, and we think it is sound policy to have our own immigration people in Ontario House come out here about every 16 or 18 months, and spend some time with my immigration people, to find out what the situation is, so that when they go back they will be up to date and able to answer intelligently the questions they are going to be asked.

Hon. members may have seen pictures recently in the newspapers of these queues lined up outside of the federal immigration office. That is only one aspect of it, they have to queue up there in order to get here, but as to where they want to go when they arrive, they obtain that information from the different provincial agencies.

MR. WHICHER: Mr. Chairman, I am in complete agreement with the hon. Minister so far as Ontario House is concerned, with respect to the advisability of having an office, such as that, for the purpose of trying to bring in industry to Ontario.

But as far as immigration is concerned, I was asking primarily how many other provinces had provincial houses in England?

HON. MR. NICKLE: I think most of them do. But I would like to point out that we have obtained a good number of nurses for some of the hospitals who needed them very badly indeed. We have some engineers. The hon. Minister of Education (Mr. Dunlop) reminds me we have some teachers.

Altogether, I think if there is one agency of government which has justified its existence, it has been Ontario House.

Vote 1,305 agreed to.

On vote 1,306:

Mr. MacDONALD: Mr. Chairman, on item No. 5, vote 1,306, when we established these regional industrial development associations, as the name indicates "industrial", I think the emphasis was laid on that aspect of the regional associations' work, I think they were something of a projection of the local regional boards of trade and chambers of commerce.

In addition to that, they are financed on some per capita division of moneys raised from all municipalities involved, and inevitably once again the largest amount comes from the urban areas.

The result is that, while the objectives of these associations include a whole range of activity that should be included in the work of the association, including for example assisting agriculture, the emphasis tends to lie, for these historical and financial reasons, on industrial development.

In some parts of the province, partly because of the local circumstances and partly because of the general plight of the agricultural industry, I submit, Mr. Chairman, that such phases of the regional associations' work, as agriculture, are fully as important as industry.

I am wondering whether, or what, supervision or direction comes from the provincial government, since it is putting in grants presumably it has some justification for keeping a finger in the pie; what supervision and direction is given to make certain that these associations do not neglect agriculture, as one example, in the broad scope of their work?

HON. MR. NICKLE: The quickest example which comes to my mind in this respect is the eastern Ontario development association. I recall several months ago that fine organization, the board of directors—and all concerned may have their own political faith, but it is a non-political body insofar as I am concerned—they were here, and it is one of the largest associations, as I recall it.

There was a gentleman by the name of Mr. Stewart, who came, I believe,

from Arnprior, where he operates one of the largest farms. No doubt the hon. member for Renfrew South (Mr. Maloney) will know the gentleman I mean.

MR. MALONEY: Almonte.

HON. MR. NICKLE: The hon. member knows who I am speaking about, and the hon. Provincial Secretary (Mr. Dunbar) now tells me that his first name is Archie.

He is a very substantial, large farmer in that area, and he spoke for agriculture in eastern Ontario, and discussed it in a broad, great, general way. His approach, as far as I was concerned, sufficiently arrested my attention that I decided that his ought to be the approach which is made all across the board.

While I cannot remember all whom I see, I know of none where agriculture is not given the same fair, important part it plays in the eastern Ontario development association.

MR. G. INNES (Oxford): Mr. Chairman, I would like to ask the hon. Minister if his department works in conjunction with The Department of Highways in any particular way?

HON. MR. NICKLE: I beg the hon. member's pardon?

MR. INNES: Does the hon. Minister's department work in any way, or respect, with The Department of Highways on any planning along their roads?

HON. MR. NICKLE: Oh, certainly.

MR. INNES: For instance, where service roads have to be put in, in certain communities?

HON. MR. NICKLE: Every plan of subdivision that we think will affect them directly or indirectly — I want to make it both ways, or I might say that by any stretch of imagination, if the hon. member likes that rough and tumble

language better; when any plan we think will affect The Department of Highways comes forward, we send it to the hon. Minister (Mr. Allan) for his advisors to look at it, to make sure that if we approve it, it is not going to clash with his over-all programme.

MR. INNES: And does the hon. Minister of Highways' department do the same with yours?

HON. MR. NICKLE: There is the closest possible co-operation, and a very happy one, too.

MR. INNES: Fine.

MR. J. SPENCE (Kent East): Mr. Chairman, this afternoon the hon. Minister mentioned something about the number of industries which came into the province of Ontario last year. I believe he knows full well that a number of towns and villages in the province would like to have just one industry located within their boundaries.

Could he tell me if any of these industries have been built in the towns and villages in the province during this last year, and if so, how many?

HON. MR. NICKLE: What is that again, please?

MR. SPENCE: I would like to know how many industries were built in towns and villages in the province in 1956, rather than building in the cities?

HON. MR. NICKLE: I would say about 98.

MR. SPENCE: In the towns and villages?

HON. MR. NICKLE: Yes. Let me give the hon. member an illustration.

In my region the DuPont Company have built a large plant at Maitland, not far from the riding of the hon. member for Leeds (Mr. Auld). Canadian Industries have built a large plant at Bath,

which I think is in the riding of the hon. member for Prince Edward-Lennox (Mr. Whitney).

If I may say so, it is rather interesting to note the number of large plants that are being built in the smaller areas. They seem to be getting away from the congested places.

MR. GISBORN: Mr. Chairman, I would like to ask the hon. Minister what is the possibility of the economic development programme being carried on in the Niagara district? They have held two conferences there, and I think there is an inequity there because of the fact of the basis of payment.

In the Niagara district, at the conference at which the association was formulated, there was a large majority of municipalities wishing to participate and, because one municipality, that of the city of Hamilton, would have had to pay the \$2,000 to the \$10,000 minimum, I understand that the association is going to fall through.

A statement was made by the mayor of Hamilton that he was not going to recommend spending \$2,000 in order to assist in bringing industry into the rural communities. I do not think, because of that attitude, that the Niagara district should go without this type of programme. Could not something be done about picking up the "tab" for the extra money, so the Niagara district from there on down could have that type of planning which they need?

HON. MR. NICKLE: When the regional industrial programmes were established, I think to an extent conceived in the fertile brain of Mr. Lyle, of whom I spoke earlier today, there were 9 areas, which would include the whole province.

These industrial regional programmes are now in operation. The government decided that they would pay \$10,000 a year to each regional area. The area had to make up the same amount from within their own boundaries; if they put more in the city, our limit was still

\$10,000. There have been some areas, and indeed it is their right, to think that perhaps no good will come of it. But frankly, it is our thinking and indeed I support these programmes wholeheartedly, that if we get a great number of municipalities gathering once in a while for a general discussion in connection with each other's welfare, it is not bad business. At the moment things may not look too bright in the Niagara peninsula, but they are not so dull either.

MR. GISBORN: Mr. Chairman, the problem is: the large majority are suffering because of the city of Hamilton, and I think something should be done to change that system. They want it from the boundaries of Hamilton through to Lake Erie. Because of the per capita basis of raising the money, I think even they should be encouraged to pick up the balance of the money.

HON. MR. NICKLE: We will give it some thought.

HON. MR. WARRENDER: Mr. Chairman, may I say a word on this? I agree with the hon. member for Wentworth East that it is most unfortunate that the city of Hamilton is not going into this in an active way — this regional development association in the Niagara peninsula. I think this is due to a misunderstanding, and how it happened I do not know, because I understand from Mr. Crate, who is here, the whole matter was discussed in detail with his worship the mayor of Hamilton on at least two occasions.

The mayor has an idea that this association was set up to attract industry into the Niagara region, which is not correct. It is only one of the features which is being emphasized.

Actually the association was set up to assist all those people to get together to work out some of their planning problems now and in the future, to see what could be done to retain many of the fine firms that exist in that area.

It was set up to also consider the question of conservation, the erosion of land in that area, in addition to the attraction of industry.

It is my earnest hope that some of the members of the board of control will see fit to get into this venture. It is my hope that the mayor of Hamilton and the council will take a look at this matter once again, and realize the many benefits to be derived from becoming a member of this association, and also encourage the smaller townships which have not the financial resources of Hamilton to get into the association.

I think much good can come of it if the representatives of the various municipalities in that area will take the time to sit down and discuss the many problems which are there. Hamilton does not see fit to do it and I think it is most unfortunate, and if I can do anything to encourage them to take an active part, then I am going to do it.

MR. G. C. WARDROPE (Port Arthur): Mr. Chairman, I want to comment on this.

The hon. Minister and his department are to be commended for organizing these development associations. In my part of the country there is the northern Ontario development association managed by a gentleman who is an outstanding man in that work, Mr. A. Phillips, and the hon. Minister of Lands and Forests will bear me out that the surrounding districts outside the cities of Port Arthur and Fort William have been getting the new industries.

As the hon. Minister knows, the town of Nipigon has now a plywood mill and the town of Dryden also has a new industry. They are the little centres surrounding the big cities, and everybody in the association is working together to help the whole district.

The cities of Port Arthur and Fort William are not trying to centralize industries in those cities, they are trying to give the smaller places a break.

I believe the town of Rainy River is also in the association, and that whole part of the province is working together through this development association to bring industry to that area.

If some of the people such as we have there would work in the area of Hamilton—but I do not suppose that is possible—they would be able to give the same results as we are getting and they would have the same experience, I am sure.

I want to congratulate the hon. Minister and his department, and the trade and industry branch, for the fine job they are doing in our part of the country and in the whole province of Ontario. I have no quarrel with them at all.

MR. WHICHER: Mr. Chairman, I wish to reiterate what has been said by the hon. member for Port Arthur. I think that \$80,000 is doing more good than much of the money that is spent throughout the province.

I respectfully offer this suggestion: in some of the smaller centres, for instance in my home town, we are under the Georgian Bay development association, and I think in Bruce there are only 6 towns and they all belong to it.

The way it is financed is as follows: there is 10 cents per capita put into the pot, and then whatever comes in, the hon. Minister of Planning and Development will match up to a limit of \$10,000. If, as it appears to be, everyone here is in sympathy with this work, I think it would be a wonderful thing if that grant could be increased. I am giving this very sincerely; it is only \$80,000, and all the hon. members—

HON. MR. NICKLE: Does the hon. member mean they double the money and the contribution of the government is doubled?

MR. WHICHER: Well, for the amount that is being done for the \$80,000, and the amount of money that

the hon. Provincial Treasurer is handling in Ontario today, I suggest it would not be a great effort to put another \$80,000 in that and really give these small centres a so-called "shot in the arm."

If it is doing the amount of good that the hon. Minister and the other hon. members say, and I believe it is, it is reasonable to presume if they add a little more money they could do a little more good in London, England, Chicago and New York and all the places where they have your offices.

It is reasonable to suspect that a little more industry would come into these smaller places, and Ontario would become a little more decentralized than it is today.

I believe the hon. members agree that in the huge centres of Toronto and Hamilton there is a little too much industry, and to make Ontario grow it would be a good thing to spend a little more money to give these smaller places a chance to advertise in the other countries of the world.

MR. MALONEY: Mr. Chairman, coming from the eastern part of Ontario, and as one actively connected with the eastern Ontario development association, I would like to join with the hon. member for Port Arthur in commending the hon. Minister and the Department of Planning and Development for the wonderful work that has been done in this connection.

We have in our eastern Ontario development association an organization of men and women of all political parties, and beliefs, and I am proud to say at no time has any question of political difference interfered with the very efficient work of this organization.

We have an outstanding manager in the person of Mr. Harry Callen of Smiths Falls, who has done a tremendous amount of work on behalf of eastern Ontario, and the number of industries we have secured there as a result of this organization being in existence is astonishing.

Ours was the first development association to be formed in Ontario, all other development associations in this province are patterned after it. Because of that, it has been necessary for us, in order to assist these other organizations in developing, to expend some of the moneys that we have received from the department, helping these other organizations in their infancy.

We have been very happy to do that, but I would also join with the hon. member for Bruce in suggesting very seriously to the hon. Minister that this amount of \$80,000 should be augmented, and a very much more considerable sum than that should be granted under this particular estimate.

In our organization we receive \$10,000, and we have just about concluded our 3-year contract with the department, and during each year the members of our association have contributed much in excess of the amount that we have received from the department. This year our members will have contributed over \$18,000.

I would suggest very seriously to the hon. Minister, following up the brief that I presented on behalf of this association a few days ago, that this grant should be increased by at least another \$5,000 to each development association — provided, of course, that the association is willing to match dollar for dollar what the department will grant.

MR. WORTON: Mr. Chairman, could the hon. Minister explain the breakdown of the \$495,000?

HON. MR. NICKLE: It is just what it says, the grant to the Ontario research foundation.

MR. WARDROPE: May I ask the hon. Minister a question on that? I was a little confused on item No. 8.

We have the Dominion-provincial bursaries, and things of that kind, but does that mean the hon. Minister would give grants to outstanding students in science and things of that nature, out of that fund on application?

HON. MR. NICKLE: If the hon. member would like the breakdown, it is:

Ontario Research Foundation, \$165,000 for research projects. Then, there is industrial research services, \$85,000; group research, \$25,000; scholarships, \$50,000; post-graduate studies in sciences, \$145,000; and administration, \$25,000.

MR. WHICHER: Item No. 9, vote 1,306, I have 3 questions to ask the hon. Minister.

Of this \$500,000 expense, how much is expected to be recovered from the federal government?

HON. MR. NICKLE: I wish I knew. We went down once and did not do too well.

MR. WHICHER: The second question is, how many Hungarian refugees at the present time have settled in Ontario?

HON. MR. NICKLE: About 4,000.

MR. MacDONALD: In that connection, there is one thing that puzzles me all throughout this programme. The provincial government has done a great deal to co-operate in this, right from the very outset. And now, the thing that puzzles me, with that co-operation and all of that activity, how is it, on the Hungarian programme, we have a smaller number of immigrants coming into Ontario than under a normal immigration?

HON. MR. NICKLE: The hon. member does not like rumour, and I do not like it either and, I think, it is bad business to be a party to gossip.

The best information I can get, and I cannot prove it, is that certain representations were made by other provincial governments, where there was a larger Hungarian population than there was in Ontario, that they could go to these different provinces.

I do not think the hon. member should ask me to name them, I could tell the

hon. member who they are, but I do not think I should make it a part of the record. They said they had more relatives in the other provinces.

HON. MR. FROST: That is a sensible reason.

MR. MacDONALD: That is understandable.

HON. MR. NICKLE: May I say to the hon. Prime Minister, in connection with the Hungarian refugee immigration problem, this is the only time that Ontario has had less than 50 per cent., and the reason that we did not get 50 per cent., or better, is because relatives in certain of these provinces made representation to the Immigration Department at Ottawa that they would like to have them around the family hearth.

MR. MacDONALD: That is reasonable.

MR. WHICHER: What happened to the immigration branch of the hon. Minister's department? In 1955 and 1956 there was one under this heading.

HON. MR. NICKLE: Immigration is part of trade and industry.

MR. WINTERMEYER: Before we leave this item, may I ask the hon. Minister what, in his discretion and judgment, would be the most expeditious means of decentralizing industry in this province?

I know it is a very leading and general question, and I do not expect a detailed answer, but it is the sort of thing that is puzzling to all of us. I think we are in a basic agreement that the original industrial development association has been a good thing. But, unfortunately, it is limited in what it can do. Has the hon. Minister any suggestion?

HON. MR. NICKLE: Some boards of directors want to decentralize their plants and others want to put them in urban centres.

MR. WINTERMEYER: Does the hon. Minister think it is a good thing that areas, such as metropolitan Toronto, continue to grow larger and larger?

HON. MR. FROST: That also applies to the Kitchener area; it is growing pretty rapidly too. There are other places not growing as rapidly.

Vote 1,306 agreed to.

On vote 1,307.

MR. OLIVER: I want to speak on vote 1,307, but we are moving so rapidly. This is in respect to a townsite.

HON. MR. FROST: It is now 6.00 o'clock.

MR. OLIVER: Will the hon. Prime Minister tell me what he expects to deal with this evening?

HON. MR. FROST: We will complete this estimate, and then there are Throne debates, toll roads and the budget. I will ask if there is an hon. member who does not want to speak, or whether it is something we can postpone? However, I think it will be the speech from the Throne debate with which we will proceed first. Possibly, if it does not last too long, I might clean up a non-contentious point on the order paper, committee matters and things of that sort.

MR. MacDONALD: What does the hon. Prime Minister mean by committee matters?

HON. MR. FROST: For instance, item No. 2, Bill No. 62, if any hon. member does not want that order proceeded with, we will postpone it.

MR. MacDONALD: The point, Mr. Chairman, is simply this. This night session was called 24 to 48 hours ago, and some hon. members already had commitments of long standing. If the hon. Prime Minister is going to call bills, something like a general debate—

HON. MR. FROST: I will assure the hon. member if we get on to the order paper, we will deal with orders that are non-contentious.

For instance, there are a number of private bills here and I think I can arrange this: if some of the hon. members of the hon. member for York South's group are present, if there are bills they do not want proceeded with, very well. I think the hon. Leader of the Opposition will keep his eye on that.

I do not know of any bill we are going to proceed with tonight on which there will be any contention. For instance, in regard to matters relating to the mining bill, or others, I will see that those are not called.

Mr. Chairman, it may be a question of cleaning up some items on the order paper. I will promise the hon. member I will not call any of the private bills or motions tonight. Those will be very equitably and fairly dealt with.

MR. MacDONALD: We are progressing.

It being 6.00 of the clock, the House took recess.



ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, March 14, 1957

Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Thursday, March 14, 1957

Estimates, Department of Planning and Development, continued, Mr. Nickle	1137
Resumption of the debate on the speech from the Throne, Mr. Maloney, Mr. Robson	1142
Motion to adjourn debate, Mr. Murdoch, agreed to	1157
Report, toll roads committee, continued, Mr. Mackenzie	1157
Motion to adjourn debate, Mr. Root, agreed to	1161
Motion to adjourn, Mr. Frost, agreed to	1161

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, MARCH 14, 1957

8.00 O'CLOCK P.M.

The House resumed.

ESTIMATES, DEPARTMENT OF PLANNING AND DEVELOPMENT

(Continued)

On vote 1,309:

MR. F. R. OLIVER (Leader of the Opposition): On that item, Mr. Chairman, I was going to ask the hon. Minister of Planning and Development (Mr. Nickle) something about these mining townsites, with particular reference, first of all, to Elliot Lake.

My information is that a construction company of Toronto has a contract to build 400 houses in that community, and according to further information, the company is not completing the contract on schedule; in fact, it is in some financial difficulty. There are also complaints about houses that have been constructed.

I would like to hear the hon. Minister on this point, because there have been a lot of suggestions in respect to this particular contract, that it is delaying the building of the town, and that the thousands of people living in trailers have almost lost hope that they will ever get houses.

What is the situation?

HON. MR. NICKLE: The question that the hon. member asks is best answered by saying that the contract

is financed by Central Mortgage and Housing Corporation—the inspection is carried out by Central Mortgage and Housing; it has nothing to do with this government at all.

MR. OLIVER: I want to get straight on this. Who lets the contracts for those houses?

HON. MR. NICKLE: The mining company let the contracts, but they are issued by Central Mortgage and Housing Corporation. It has nothing to do with this level of government.

MR. OLIVER: How far does the department go, then?

HON. MR. NICKLE: We handle matters in connection with planning. We may have a land assembly area, for instance. We are responsible for all the services.

But these contracts the hon. member is speaking about are company contracts guaranteed by Central Mortgage and Housing Corporation. It is their business and it has nothing to do with the government at all.

MR. OLIVER: So that it would be the mining company who would let the contract—

HON. MR. NICKLE: The mining company let the contract, but Central Mortgage and Housing guarantee it.

MR. OLIVER: That is all right on that one.

Is there a mining townsite in Cardiff?

HON. MR. NICKLE: Yes.

MR. OLIVER: May I ask the hon. Minister, concerning the plans he made for this townsite, was the original plan carried out, or was it changed materially after the first plan was made?

HON. MR. NICKLE: The best information I have on that question is that the original plans have never been changed to any extent whatsoever.

MR. OLIVER: My information is that, in this particular instance, the original plan took in part of two townships and was subsequently restricted to one township.

HON. MR. NICKLE: That is right.

MR. OLIVER: Did the original plan take in part of two townships?

HON. MR. NICKLE: I do not think it is fair to say that the original plan took in part of two townships. But I do not think it is fair to say the first thinking was that, perhaps, there should be two townships included in the plan. That thinking was changed, so the finality was only one township.

MR. OLIVER: Is it accurate to say this: that a Mr. Patterson, who is an executive, I imagine, of Mycroft Mines in that area, who is acting as trustee for the various mining interests in that area, bought lots in both these townships for a townsite and subsequently turned over these lots to The Department of Municipal Affairs? Is that an accurate statement?

HON. MR. NICKLE: The lots mentioned by the hon. member, as I understand the situation, were purchased by Mr. Patterson on behalf of the company. He was their agent.

MR. OLIVER: But my information is that he bought lots in both these townships, subscribing, I imagine, to

the original plans made out by the hon. Minister. Would the hon. Minister say he did not buy lots in both townships, just one?

HON. MR. NICKLE: That is as I understand it.

MR. OLIVER: That is the hon. Minister's understanding. I want to know for my own information.

HON. L. M. FROST (Prime Minister): How would we know if he bought lots in both townships?

MR. OLIVER: I doubt if the hon. Prime Minister would know, but the department would know.

HON. MR. FROST: What would we have to do with it if he bought up a whole township?

MR. OLIVER: What is the situation at the townsite at the moment? Is there any difficulty of any substantial degree with reference to the water in this particular townsite? I understand that some of the places have been abandoned because the cellars were full of water. Does the hon. Minister say that that statement is not right?

HON. MR. NICKLE: I think it is fair to say that in a great many cases there may be flooding of certain cellars until the sewers open up; but as soon as the sewers are constructed, such trouble disappears. That is what happened here.

MR. OLIVER: Has there been experience of, or is it anticipated that there will be, any great drainage problem on that townsite?

HON. MR. NICKLE: No.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, may I ask the hon. Minister if the item of \$5.9 million, which has been allotted

under the housing branch as a capital expenditure, is a net or a gross figure?

HON. MR. NICKLE: A gross figure.

MR. WINTERMEYER: Where does the hon. Minister show the revenue that is received?

HON. MR. NICKLE: Central Mortgage and Housing Corporation are the fiscal agents for the partnership. They collect the rents and pay us our share.

MR. WINTERMEYER: The hon. Minister will not require \$5.9 million in this forthcoming year for this particular item. So as not to cause any inconvenience, where is the return shown? That is all I am concerned about. There would be payments back on these mortgages or purchase agreements.

HON. MR. NICKLE: I could give the hon. member a breakdown of these figures, which I have here on two pages. I will not read them now, but I can let the hon. member see them. I can answer on any item to which the hon. member wishes to refer.

MR. WINTERMEYER: I am not at all concerned with any detail. My concern is merely this: Are we voting \$5.9 million, or are we voting \$5.9 million less the payments that will be paid?

HON. MR. NICKLE: It is a gross figure.

MR. WINTERMEYER: Is that the normal procedure? Has that procedure been followed in other years?

HON. DANA PORTER (Provincial Treasurer): This is the initial capital outlay, and then over the years following, the rents will be sent in to the treasury, I assume. If they are not, they should be.

MR. WINTERMEYER: Eventually to show themselves in the public accounts. There is no question of that.

It is just that I am unable to see any revenue item in either the budget or the estimates.

MR. OLIVER: I suppose there might not be any revenue within the coming year. The buildings have to be built before the rents come in.

MR. WINTERMEYER: This has been going on since about 1950.

MR. OLIVER: On that point, the hon. Provincial Treasurer talks as though this is a new thing. According to this page, this goes back to 1950.

HON. MR. NICKLE: These projects are amortized over 15 years.

MR. OLIVER: Where do we find the entry for the revenue accruing from the investment?

HON. MR. PORTER: In the public accounts.

MR. OLIVER: Do we have to go through all the public accounts?

HON. MR. PORTER: They are in the public accounts under "return on advances."

AN HON. MEMBER: If hon. members cannot find it there, they can look in Chase's *Almanac*.

MR. P. MANLEY (Stormont): I would like to ask a question of the hon. Minister about vote 1,309, "the Ontario St. Lawrence Development Commission." How much land does the Ontario St. Lawrence Development Commission own? Has Hydro acquired all the land that the commission is going to require in the St. Lawrence valley? At the present time, how many acres does the development own?

HON. MR. NICKLE: The St. Lawrence Development Commission, at the moment, may not have the fee to any land in that area, but that is some-

thing that can better be answered by my colleague, the vice-chairman of the Hydro-Electric Power Commission (Mr. Connell).

One of the matters in that area which must receive consideration is this: Hydro may have purchased more land than they may need for their project; lands may be needed for highways or for the Canadian National Railway right-of-way. What is left, for want of a better expression I will say the surplus, may be available for housing development and so on in the not too distant future.

But the fee may or may not be in Hydro; I cannot say. I can tell the hon. member what the St. Lawrence Development Commission hope to own.

MR. MANLEY: Do they own any land at the present time?

HON. MR. NICKLE: The fee, for instance, in the memorial park may not be in the commission but it will be. The developed area, where the scenic road is going, may or may not be in the name of the St. Lawrence Development Commission. But what I do mean—

MR. OLIVER: Just what does the hon. Minister mean?

HON. MR. NICKLE: It could be agreed to between two parties that all the rights, claims and interest in any certain parcel of land will be conveyed to the right person. That is what is going to happen here.

MR. OLIVER: How much will be conveyed to the other party? The hon. Minister must know at this time how much land the authorities intend to take over in this development. That must be clear, it must be mapped out, surely?

HON. MR. FROST: We will send over one of the maps to the hon. member.

MR. OLIVER: If the hon. Minister cannot inform hon. members, that might be the next best thing to do.

HON. MR. NICKLE: I can give the hon. member one of the maps where it is all marked out.

MR. MANLEY: Then, is it the intention of Hydro to deed this land to the St. Lawrence Development Commission? Is it the intention of Hydro to do that?

HON. MR. NICKLE: I will not go that far, but will say there are about 1,000 acres of land in that area that may be declared surplus one day.

MR. MANLEY: I am asking a question, Mr. Chairman, and I think I am entitled to an answer from the hon. Minister. Does Hydro know at the present time, or will it know, what land is going to be deeded over to the St. Lawrence Development Commission? Or is Hydro, itself, going to maintain the ownership? That is what I am asking.

HON. MR. NICKLE: I cannot answer that at the present time.

MR. MANLEY: Surely, that ought to be clear by this time.

HON. MR. FROST: I suggest to my hon. friend that we bring over the chairman of the Hydro-Electric Power Commission to the committee on commissions, and he will be glad to give the hon. member the most detailed information. We will be glad to arrange that.

MR. MANLEY: This is something that I am concerned with myself. It is a question I have asked myself. I do not happen to be a member of the committee where government commissions are taken up; however, I think I have a special privilege and permission to ask the question, and I think I am entitled to an answer.

HON. MR. FROST: If my hon. friend wishes, I will have him added to that committee at once.

MR. MANLEY: The Hydro commission committee has been held already,

and I am not going to wait for a year for an answer.

MR. OLIVER: Speaking directly to the hon. Prime Minister, surely we can have an answer whether, in the long run, when this matter is settled, the powers of ownership are going to be in Hydro or in this commission. Surely the hon. Prime Minister knows that.

HON. MR. FROST: It is hardly fair to count any individual as an *Encyclopaedia Britannica*. If the hon. member will put his question on the order paper we will get the answer for him.

MR. OLIVER: The hon. Prime Minister is in more of a daze than he usually is.

HON. MR. FROST: No. There is a great deal of land down there which we have acquired. I can assure the hon. member that Hydro will use part of it for their own purpose. The St. Lawrence Parks Commission will use part of it, but it may be there will be some surplus land, and that surplus land, I assume, could be sold for industrial purposes or otherwise disposed of.

What the detailed answer to that is I do not believe anybody can say. But we would be very glad to give the hon. member for Stormont the fullest information and, as I say, we will be very glad to have him come before the committee on commissions, and we will make him a member of the committee, and he can get all this information. Otherwise, let him put it on the order paper and we will be very glad to get it for him.

MR. OLIVER: The hon. Prime Minister does not know the answer now, but he will know when we get it on the order paper? That is ridiculous.

HON. MR. NICKLE: Perhaps this may help the hon. members: in relation to the St. Lawrence Development Commission, we will have on fee about 1,000 acres. The remaining acreage will be about 14,000 acres. Whether that land

will be conveyed to any commission or any department of the government, I cannot say. But at the moment it is in the name of Hydro. Does that help the hon. member?

MR. MANLEY: Thank you, Mr. Chairman. I am going to direct another question, if I may, to the hon. Minister. Is this land going to be turned over to the commission free of charge, or is there going to be a set fee per acre for it, or what is the procedure going to be?

HON. MR. NICKLE: I can put it only this way to the hon. member, that the problem is now in a state of negotiation.

HON. MR. FROST: Mr. Chairman, it is impossible, of course, to say more here. This land is being bought and paid for, and will belong to the commission and to the government, and of course it will be disposed of and used in the best interests of all of the community, no doubt after collaboration with the municipalities and others.

May I draw to the attention of the hon. Leader of the Opposition that the hon. Minister of Planning and Development uses a technical word when he says the "fee" belongs. For the benefit of those who are not of the legal profession, may I say that it in effect means the ownership. I am glad that the hon. member for York South (Mr. MacDonald) is not present, because he would think that it would have some relation to campaign funds.

Hon. Mr. Frost moves that the committee rise and report progress.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

MR. C. E. JANES: Mr. Speaker, the committee of supply begs to report it has come to certain resolutions, and asks leave to sit again.

Motion agreed to; report adopted.

RESUMPTION OF DEBATE ON
SPEECH FROM THE THRONE

MR. J. A. MALONEY (Renfrew South): Mr. Speaker, at the outset, I would like to pay my very sincere respects to you. Because of your ability and scrupulous impartiality, I think it is a fair statement to make, that you have gained the respect and affection of all hon. members of this House, irrespective of party.

I am sure that all of us feel that so long as you are the Speaker, we will never experience the horrible scenes that were witnessed in another Parliament of this country not so many months ago, when the very existence of Parliament itself was challenged, and the rights of the elected representatives of the people were subjugated to the rough-shod tactics of the executive authority, aided and abetted by an overwhelming majority of subservient supporters, many of them I am sure against their own better judgment and sense of fair play.

How different is the picture here, with a government that is a government, led, as it is, by an hon. Prime Minister (Mr. Frost) who is an hon. Prime Minister, one who stands out among men as a fair man, as one who would not sit idly by if one of the hon. Ministers of his government attempted to force his will upon those elected to represent the people in violation of the great principle that underlies our system of government, the supremacy of Parliament.

That situation does not exist in at least one of the Parliaments that we have in this country.

I should like also at this time to extend my very sincere congratulations to the Deputy Speaker of this Legislature, on his well-merited elevation to that very important position. He is a man who has given many years of very valuable service to the people of his constituency, and to the people of this province, and I think all hon. members on all sides of this Legislature feel that in the choosing of the Deputy Speaker, this House has made no mistake in lay-

ing that very important mantle upon the shoulders of the hon. member for Lambton East (Mr. Janes).

Frequently we are prone to forget those who contribute much to the efficiency and dignity with which the proceedings of this House are conducted, and in that connection I would refer particularly to the very efficient clerk of this House, Mr. Roderick Lewis, and his most capable assistant, Mr. Stewart.

These are the men whose duty it is to see that the business of this House is lined up and prepared in such a way that no unnecessary time will be lost and that the business of the province will be proceeded with, with all possible dispatch.

Another matter that commends itself to my attention, and I feel that I bespeak the feelings of all hon. members of this House, when I say that the great decorum and dignity that exists here is contributed to very largely by the dignified manner in which this Legislature is opened by the very stately way in which that outstanding war hero, Major Geary, conducts the mace into the Legislature before proceedings commence.

And although belated, Mr. Speaker, and if I were a petulant child, such as the hon. member for York South (Mr. MacDonald) who has vacated his seat for the evening, I would feel very annoyed with the "Whip" of our party and with the hon. Prime Minister because I was scheduled to give this speech many weeks ago.

The hon. member for York South expressed his indignation that such an important personage as he should have to delay his remarks—which did not contribute too much to the business of the Parliament incidentally — on so many occasions.

But, although I have been obliged to revise the remarks that I had intended to make at the outset, it gives me a great deal of pleasure that I have been able to have the privilege of so doing, for some of the things that have happened since I was first ready to speak have

made it necessary that these remarks should, to some degree, be changed.

Before proceeding further, although I am a little late in doing so, I want to extend my very sincere congratulations to the hon. mover and seconder of the motion in reply to the address on the speech from the Throne. The hon. member for Port Arthur (Mr. Wardrope), who has been so properly referred to by the hon. Leader of the Opposition (Mr. Oliver) as "the doughty warrior and defender of great causes from the Head of the Lakes" has once again distinguished himself. The seconder, the hon. member for York West (Mr. Rowntree), also made a very excellent speech, and by his effort has shown and demonstrated that he will make a very valuable contribution to the business of this Legislature.

I am afraid that I cannot subscribe to the opinion held by my hon. friend—and I mean "my friend"—the hon. Leader of the Opposition, for whom I have a great respect and whose judgment I have always found to be comparatively sound. But when he expresses criticism of the mover and seconder for daring to criticize the federal government at Ottawa, I cannot subscribe to his opinion.

Ordinarily I would share the opinion of the hon. Leader of the Opposition that we should discuss only provincial issues in this assembly, but the federal government has made that impossible by endeavouring to impose its will upon us, and by attempting to extend its authority and jurisdiction over matters that are, by their very nature, provincial, and are so set out by The British North America Act.

I would like to think that the hon. Leader of the Opposition shares that opinion deep down in his innermost thoughts. I realize that he cannot give expression to it because of the position he occupies, but I am quite positive in my own mind that he is violently, albeit silently, opposed to many of the things that the Ottawa government has tried to do to the government here in Ontario.

He knows, as do all of us, that we constitute one-third of the population of this nation, and it is an established fact, borne out by the federal government bureau of statistics, that at least one-half of the revenue collected by the federal government comes from the pockets of the people of the province of Ontario.

The federal government, according to the report of the Dominion bureau of statistics, for the 11 months of the current fiscal year reported a surplus of \$536 million.

When I read, in the early edition of this morning's paper, that the hon. W. E. Harris, in his white paper to the House of Commons yesterday, estimated that the surplus would be \$282 million, I asked myself the question: Where did the difference between \$536 million and \$282 million go? Is there going to be no revenue in the Dominion of Canada for the month of March?

This afternoon we heard the hon. Prime Minister demonstrate, from the statement itself, where \$100 million of the \$536 million was tucked away. But even that makes no allowance towards the revenue which must necessarily be taken into the federal treasury during the month of March.

When the hon. Prime Minister of Ontario said that the gross surplus of this federal government in Canada, for the year ending March 31st, would be in the vicinity of \$500 million, I would suggest to him that he is, as usual, being too conservative in his estimate, and too fair in connection with the figure that has been presented by the hon. Mr. Harris in Ottawa.

Be that as it may, the federal government has a surplus of \$536 million—and I am prepared to go by that figure—or, in other words, they have extracted from the people of this country \$536 million more than they needed to carry on the business of government in Canada. I suggest to you, Mr. Speaker, that it is a fair statement to make that of this \$536 million, over \$250 million of it, at least, came from the people of the province of Ontario.

What does that mean? It means that 5.5 million people have had over \$250 million taken from them improperly, or, in other words, for every man, woman and child living in the province of Ontario, we have been called upon to pay \$50 more than we should have been, in order to conduct the business of government in this Dominion of Canada.

Some hon. members may say that is levelling off at the federal government in view of a Dominion election, but that is not my idea at all. However, when these people at Ottawa attempt to centralize the government of this country in their own hands — to take from us, as they have attempted to take from all of the provinces, the rights which belong to us and to our people — then I say whether there is an election or not, we have every reason to criticize the federal authority when it endeavours to impose its will upon us, and to interfere in matters that are entirely provincial.

When we realize that this is the government which has said, "No, we cannot give you any more money. You are getting every dollar to which you are entitled," and in the same glass we see this extra \$250 million taken from our people, then I say that is very much a provincial matter, and one with which we are very much concerned. This government says, "We will give you no more. We will not give you what you require in order to carry on the business of government in Ontario," despite the fact they have taken this additional money from our people.

Whenever it is, we will be ready for the battle, let hon. members not worry about that.

MR. R. GISBORN (Wentworth East): The hon. member for Renfrew South is getting worried already.

MR. MALONEY: I heard that story at the by-election in Renfrew South, that we were not ready, but we were ready. I heard it in the general election in 1955, and here we see returned 11 Liberal stalwarts, aided and abetted by 3 of the CCF who would, from time to

time, like to get under the same sheet, but then the fleas begin to bite and the scratching becomes too bad.

I do not know why the hon. members should be so irritable as to when the next election is going to be. Is it not because of the fact that they, like so many people in Canada, can smell the pleasant breezes that are blowing towards the Conservative side at the present time in Canada? They realize that the whiffs that were formerly blowing in their direction have now taken on a very pleasant and invigorating smell, and are blowing in our direction, and as a result one hears a great deal of "hollering" and complaining.

It amused me tonight when I picked up that great paper, the *Toronto Daily Star*, to see how the hon. members of the opposition squirmed and flitted away when the hon. Prime Minister was making his explanation as to where this surplus had gone, this surplus acquired by the federal authority.

The reason for the hon. members being so disturbed is because they have a very great suspicion that no longer will their party in Canada be able to trade on the name of the Rt. hon. Mr. St. Laurent. They realize now that this great Canadian, who celebrated his birthday on February 2nd, has celebrated his last birthday as the hon. Prime Minister of Canada. They realize that any birthday he celebrates from now on will be as a private member, or as a retired member of the political life of this country.

Mr. Speaker, as has been said, the speech from the Throne indicates a tremendous programme during this session. To say that it contains very little, as was suggested by the hon. Leader of the Opposition, is to say the least a most inaccurate statement.

Almost every phase of government having to do with the development and expansion of our province is dealt with in the speech from the Throne, and yet the hon. Leader of the Opposition attempts to dismiss it lightly by saying, in

effect, it covered a number of subjects and said very little about any of them.

But it is, by implication at least, suggested by the hon. Leader of the Opposition that he would support the message in the speech from the Throne if this House would agree to give its approval to the matters which are proposed by way of amendment on the motion of the hon. Leader of the Opposition, seconded by the hon. member for Brant (Mr. Nixon).

It is towards this amendment that I would like to direct a few remarks. I must say that I do so with a feeling of trepidation and diffidence, realizing, as I do, that this amendment is moved by a man who is 53 years of age and who, at the conclusion of this session, will have completed 31 years of service to this province in this Legislature.

Also, it is seconded by the dean, at least in service, in this Legislature, in the person of the hon. member for Brant, who was first elected as a member for his constituency in 1919, and has represented his constituency in all succeeding elections since that time.

These two men, although they have not the good fortune to enjoy the same political beliefs that I do, have undoubtedly rendered tremendous service to the people in their constituencies, and to the people in this province generally. Both of them were elected as private members. They have both been hon. members of a government, and latterly they have again been able to sit back and relax in the same position as the hon. member for York South—who happens for the purpose of convenience, I suppose, to be sitting in the front row—they have been able to sit back with the rest of us who are back benchers to enjoy and take part in the proceedings that go on in this assembly.

MR. GISBORN: The hon. member made a point there.

MR. MALONEY: I thought we had lifted the hon. member in the back row to the capitalistic class the other night,

but I see that he possibly has not disclosed the slush fund to his leader.

HON. MR. DUNBAR: Let the hon. member be easy with him.

MR. MALONEY: He was not too easy with us. Be that as it may, Mr. Speaker, as I say, you can understand now why I proceed to deal with the amendment to the motion with a feeling of some timidity in even attempting to do it. The hon. Leader of the Opposition suggests first:

This House regrets that the government has failed:

(1) To indicate any adequate policies to meet the needs of agriculture and to investigate the price spread between what the farmer receives and the consumer pays for agricultural products.

Does the hon. Leader of the Opposition, who is a farmer, not recall that the government recognizes that agriculture is the basic industry of this province, and has a key relationship to the economy and industrial development of the province? Does he not recall that the government will introduce legislation, and has introduced it, having to do with the marketing of agricultural products, and the development of sound marketing practices for the advancement of those engaged in agriculture?

In the speech from the Throne, we have been assured, and that assurance has been confirmed by the hon. Minister of Agriculture (Mr. Goodfellow), that the research and expansion services of The Department of Agriculture are being extended and augmented.

I was particularly interested in the agricultural aspect of the very excellent speech made by the hon. Leader of the Opposition, prior to the introduction of his amendment, and I can say that all hon. members in this House agree that the great industry of agriculture throughout Canada has been very hard hit during recent years, and that condition has been brought about by a number of reasons.

Last year undoubtedly one contributing factor was the inclement weather which resulted in a poor crop for many of our farmers.

However, let us be frank about the whole issue. Where does the responsibility for the present depressed condition of agriculture lie?

I would suggest, with respect, and at the risk of being once again told that we are harshly criticizing the federal government, that the present depressing condition of our great agricultural industry has been brought about primarily because of the failure of the federal government in its agricultural policy, or lack of policy, to provide adequately for the prosperity of this aspect of our country. Also, by the failure of its Department of Trade and Commerce to secure proper markets for our agricultural products.

The hon. Leader of the Opposition expresses regret at the spread between what the farmer receives and what we, the consumers, have to pay, and I am sure all hon. members agree with him. But surely the hon. Leader of the Opposition does not seriously suggest that this spread is caused by the policies of the government in Ontario? Surely nothing could be further from the mind of the hon. Leader of the Opposition, and I am sure that he will be fair enough to agree that this particular matter is controlled almost entirely by the federal authorities.

The great industry of agriculture has every confidence in the government in Ontario, and the farmers throughout Ontario have by their support, on numerous occasions, indicated that the government has directed, and that they know it will continue to direct, its every effort towards the advance of this great industry for the benefit of the farmers of this province.

The second clause of the amendment refers to the plight of our old age pensioners, and it is suggested by the hon. Leader of the Opposition that the government has neglected to offer assurance to them that their financial diffi-

culties will be relieved by the payment of a provincial supplementary old age pension.

I would suggest to the hon. Leader of the Opposition, and to those who follow him, that if they would rise in their wrath and direct that wrath towards their confreres at Ottawa, they would be doing the old age pensioners in this province a service.

That government has collected \$536 million more than it needs, and what assurance have they given to the old age pensioners?

They say, in effect, that despite the financial difficulties which the hon. Leader of the Opposition has described, and in which they find themselves, the basic rate up until 8.00 o'clock tonight at least — and despite the penurious circumstances in which they have been living for years — that basic rate must be, and will continue to be perpetuated, until 8.00 o'clock tonight at \$40 a month.

They have set this rate, and despite the fact that a great prosperity, of which they boast and for which they would take the credit in Ottawa, there must not be an increase in that basic rate until 8.00 o'clock on the night of March 14th, in the year of our Lord 1957.

It is rumoured and probably it is coming over the air now with an election in sight, possibly sometime in May or June, there will be an increase of the large sum of 10 to 15 per cent. of the \$40.

MR. R. WHICHER (Bruce): How much is the hon. member giving?

MR. MALONEY: Wait a moment and I will tell the hon. member.

In other words, this will be increased to \$44 or \$46 per month. That great liberal confident, Mr. Cyril Young, whom I met in the Royal York Hotel a short time before coming up here this evening, told me that he would give me permission to state, on well-

founded authority, that the basic rate was going to be increased to \$50 a month tonight.

MR. WHICHER: He is a Tory.

MR. MALONEY: He boasts about travelling all over the country with the Rt. hon. Mr. St. Laurent, during the election campaign, and he is going to Algoma with the hon. L. B. Pearson to see what happens up there, so he cannot be such a Tory at that.

Mr. Speaker, do not let the hon. Leader of the Opposition believe that the people of this country will be fooled by this belated attempt to recognize a need which has existed for so long a time.

The hon. member for Bruce asks what we are doing in Ontario regarding the old age pension. In Ontario we have The Old Age Assistance Act, affecting those between the ages of 65 and 69.

It has just come over the air that family allowances have been increased by \$1 a month. Imagine that. That is what got me excited. My boy, who was here this afternoon, is now going to get \$6 instead of \$5, and he needs it badly, I can assure hon. members.

But let us deal with these assistance Acts. Old age assistance, 65 to 69 years of age; blind persons' allowances —

MR. GISBORN: Let the hon. member take it easy, he will have some of it back.

MR. MALONEY: I did not see the hon. member for Wentworth East sending any of it back the other night.

Blind persons' and disability allowances. What do we find? We find that the federal government in Ottawa, despite the importunities, the entreaties, the getting down on the knee by the hon. Minister of Public Welfare of this province (Mr. Cecile), and his most capable Deputy Minister, asking them to relax the regulations.

What do they say? "No. You will enter into this agreement whether you

like it or not," and any person between 65 and 69 who can comply with the means test set by Ottawa, who earns more than \$720 a year, including the \$480 they received in old age assistance, which leaves \$240, and including 5 per cent. of the assessed value of the real estate that a person might own, so on a \$3,500 property, that would mean another \$175 —

MR. GISBORN: Who sets the means test?

MR. MALONEY: The Ottawa government sets it, and the hon. member knows they set it. If the hon. member does not know, he should get busy and find out about it. It has just now been officially announced that the old age pension has been increased to \$46 a month, 15 per cent.

MR. WHICHER: Give us 5 cents more.

MR. MALONEY: I have a great carrier service here. I wish the hon. member for Bruce would only bear with me for a moment.

MR. WHICHER: I will.

MR. MALONEY: The hon. member can realize now how far sighted this government is, because we have already, through our hon. Minister of Public Welfare, introduced enabling legislation in this House so that we can pay those who are in receipt of old age assistance, and in receipt of blind persons' allowance and disability allowance, \$46 per month.

MR. WHICHER: Not over 70.

MR. MALONEY: Let the hon. member just keep up with the times.

HON. MR. DUNBAR: The hon. member never knew it went through.

MR. MALONEY: Mr. Speaker, I have frequently had people in my constituency come to me, even before I was

a member of this Legislature, and show me a letter — an old age assistance recipient: "You are entitled to earn only \$720 a year, but because of the fact that you or your spouse, if you are married, have received a Christmas gift of \$250 from your children, because you have earned maybe \$50 during the year, you have been over-paid and you are cut off till that over-payment is made up."

Who makes that stipulation? Ottawa.

MR. WHICHER: Who gave the \$6 tonight?

MR. GROSSMAN: We did.

MR. MALONEY: If the hon. member for Bruce was paying attention, and he is intelligent enough to pay attention, he will already have heard me predict that there would be a belated attempt to bribe the people of Canada by attempting to fool them into believing, "Oh, what an interest we have in you, my poor, dear old people."

This despite the fact that the aged have been living in penury and need because of the basic rate set by this government at Ottawa for years.

Do not tell us who gave them \$6. We, the people of Canada, the hon. member and myself, and others like us, are the ones who are going to pay the \$6. Do not think that hon. Mr. Harris gave it to them. We gave it to them. I know a person who is in receipt of a blind pension, and in order to get a blind pension, mind you, one really has to be entitled to carry the white cane according to the regulations set down by Ottawa. His daughter left him \$750, so that his income was more than the income to which he was entitled under the agreement forced upon this province by Ottawa. He was over-paid.

This poor blind man, who is 47 years of age, was over-paid according to the instructions received from Ottawa.

What happened? His pension was cut off until the over-payment was brought up to date. They did not give him back

his sight during that period, but they did take from him the little bit of money that he had received. Disabled persons, according to the agreement with Ottawa, have to be so disabled —

MR. GISBORN: Did the hon. member's government give them a seeing-eye dog?

MR. MALONEY: The hon. member did not need a seeing-eye dog the other night, so he should just look after himself. The hon. member should look after Wentworth East, its necessities and its needs, and come to terms with people who could do him some good. He should do his duty to his constituency and to his people.

The pension was cut off, that is the main thing, until the blind man had caught up in the over-payment.

With reference to disabled persons, one has to be so disabled that he cannot even dress himself, and he must be suffering from some trouble which is not curable in the foreseeable future. If one can get any doctor in this country who will give him a certificate that will say he is not curable, unless he is suffering from cancer or some malignant disease.

MR. MACAULAY: Like Liberalism.

MR. MALONEY: If he should get a disabled persons' pension, and he is suffering from a heart attack to the extent that he has to be taken to the hospital when his expenses really go up, the minute he goes into the hospital, his pension is cut off.

Why should that be? Ottawa says it must be done. Yet this group of 11 hon. members are the men who would defend a government like that. Then they ask: "What are we doing in Ontario?" I say to the hon. members in return, what are they doing that they do not exert that wonderful influence that should be theirs now?

This government, whose members did so much for the hon. Leader of the Opposition in the last general provincial

election—surely now would be the time to go to them and say: "Give us a square deal for these people in Ontario."

So, Mr. Speaker, I would suggest that the last thing in the world that the hon. members of the Liberal opposition, who are being so vociferously defended by the recently-elevated capitalist of the CCF party—the last people in the world who should refer to old age pensions are these 11 men sitting to my immediate left.

In reference to that aspect of the amendment, item No. 3, having to do with the cost of education, I do not propose to deal with that too extensively, because I think every hon. member in the House will agree that that argument—the argument underlying that amendment—was founded on a false premise, as was so graphically demonstrated by the hon. Prime Minister when he rebutted it by merely referring to clause 9 in the 22-point programme of 1943.

Let me proceed to article 4 of the amendment, which regrets that the government does not introduce policies or programmes which will halt and reverse its current practices which have lowered professional teaching training standards, and which will overcome the current shortage of qualified elementary and secondary school teachers in Ontario, and which will prove adequate to meet the province's need of qualified teachers in the future.

With reference to this amendment, having to do with professional teacher training standards, shortage of qualified elementary and secondary teachers, and to provide qualified teachers in the future, I wonder if the hon. Leader of the Opposition and the hon. member for York South, who was referred to by the hon. member for Riverdale this afternoon, have ever heard of the 90 "blunderers" of the American navy—the "blundering wonders"—who came up in the hectic days after Pearl Harbour, the men who had no navy training and no navy experience, but who, because of their enthusiasm and their knowledge of the things that should be done, when they should be done, have

written an immortal passage in the history of the American navy?

I am surprised that any man, whether the leader of a political party, or ex-mayor of Warton, would get up and criticize a group of people, be they young or old, who are prepared to step into the breach in the emergency created, not by us, but as a result of World War II, and the effects of which are still being felt because of a shortage in the teacher population of qualified teachers.

When these young people are prepared to sacrifice themselves, to change plans that they probably had made for another way of life, to come into the breach to teach our children—surely these men would not be unfair if they would withhold any criticism of this great segment of our population, who, I venture to predict, will be written down in history as a group which has contributed more to the development of our people in Ontario than any other single segment of our population.

Surely the hon. Leader of the Opposition is not seriously suggesting that this clause of his amendment should receive the support of this House. It must be admitted, by even those who argue to the contrary—even the hon. member for Bruce—that in Ontario we have a sound, solid, basic educational system for the 1.1 million pupils who are presently in attendance at our elementary and secondary schools, and who will be joined in September by 70,000 of their companions.

With reference to the standards of teacher education, surely the hon. member recalls that in 1952, the programme of teacher education to improve standards and to increase the supply of teachers was reorganized.

Three classes of teacher-education were provided as follows:

First, a student in the one-year course now requires standing in 13 grades, whereas he used to need standing only in 5. It must be admitted that this is a definite advance towards higher standards.

Secondly, the in-service course for teachers was organized. This consists of two 6 weeks' summer courses, each followed by a year of teaching, and then a year at teachers' college.

Under the former system, the additional year at teachers' college was not required. It must be admitted that it is an undeniable improvement in the standards required of our teachers.

Thirdly, the much-discussed two-year course for grade XII graduates was introduced in 1953; and I am happy to advise this House that I have a daughter who was included in that group, which I describe as a glorious portion of our population who have done, and continue to do, so much for the children of this province.

This course combines professional work with 6 units of general education in the field of English, psychology and geography.

This more than compensates for the standing in 5 grade XIII subjects previously required by the one-year course; and, in addition, this course provides the student teacher with twice as much practical teaching as in the one-year course.

I say this is proof conclusive that our teacher standard requirements have not been lowered, but that, on the contrary, they have been raised.

The fifth article of the amendment deals with the changing character of municipal services, and the proposal of municipal and provincial conferences to define responsibilities and allocate revenue so as to permit the discussion of those responsibilities.

I was surprised when the hon. Leader of the Opposition referred to municipal matters at all. When hon. members in this Legislature recall the niggardly assistance given to municipalities by the administration, of which he was a Minister and which was in office prior to 1943, it gives me cause to wonder why the opposition could even refer to this matter.

Do they not know that, in 1943, the grants made by the administration of which the hon. mover and seconder of the amendment were Ministers — the grants to municipalities for all purposes amounted to only \$18 million; or, to put it another way, the grants amounted to only 18 per cent. of the municipal tax levy for that year of 1943, and it was but 17 per cent. of the municipalities' revenue?

What is the picture now? In the year 1955, the \$18 million figure has been increased to reach \$170 million. Percentagewise—

MR. GISBORN: May I ask the hon. member a question?

MR. MALONEY: Would it be an intelligent question?

MR. GISBORN: It will be, to the best of my ability. It will be a help to the hon. member's constituents. I think he might have some responsibility to them.

My question was this: The hon. member has spent about 50 minutes telling us what the Liberal government has not done—

MR. MALONEY: What is the question?

MR. GISBORN: The question is: Would the hon. member like to tell the House and his constituents what he thinks about the gasoline tax; what he thinks about assistance to old age pensioners; what he thinks about the needs of municipalities?

MR. MALONEY: If the hon. member would go back to Mr. Fines, the hon. Provincial Treasurer of Saskatchewan, who did not think it was inequitable to impose a gasoline tax in Saskatchewan of one cent per gallon, the same Mr. Fines has imposed no corporation tax on corporations themselves — the slush fund givers.

MR. GISBORN: The hon. member has not yet answered my question, and I think he owes it to his constituents to tell them.

MR. MALONEY: If the hon. member for Wentworth East will do his duty to his constituents as well as I do, or try to do for mine, he will be coming back here. But from the information I have, he is on his way out.

There is a "nigger in the woodpile" in the federal budget about these increases I was so pleased to announce; they are not going to take effect until July 1st.

MR. GISBORN: Elect Uncle Louis and the hon. member will get his increase.

MR. MALONEY: I think it was very pleasant to have the interjection from the hon. member for Wentworth East, who is not going to be with us too long.

But I would merely point out to him, going back to 1955, percentage-wise the grants to municipalities have increased from 1943 when it was 18 per cent. to 48.5 per cent. of the municipal tax revenue in 1955.

For the year 1956, in case he does not know it, the grants to municipalities have increased by at least \$185 million.

Surely, in the face of that, and despite the superior knowledge of the hon. member of the CCF, even this recently elevated capitalist, surely, even he would not seriously suggest this government has failed to recognize its obligations to the municipalities.

HON. MR. DUNBAR: The hon. member for Wentworth East is leading the party tonight.

MR. MALONEY: When I was home last week, I went around to find out how good it was, and, does Mr. Capitalist know what I was told? I was told that I was going to have a reduction of 6 mills on my tax rate in Renfrew as a

result of this government's unconditional grants. Should I cry about that?

MR. GISBORN: What about the hospital board?

MR. MALONEY: We have a hospital board the like of which the hon. member never saw in his county. I can tell the hon. member for Wentworth East that, if he would care to come down to Renfrew county, we can show him the difference between what we do, and what he is doing — just idling his time away here, asking nonsensical questions.

Yet the speech from the Throne indicates, and the hon. Minister of Municipal Affairs (Mr. Warrender) has carried out the indication contained in the speech, by saying that we are going to consider matters of far-reaching municipal reform, and the government is already doing work to make further substantial grants to the municipalities.

And maybe the hon. member for Wentworth East will object to that being done. Maybe he, like the hon. member for Waterloo North (Mr. Wintermeyer), feels we should not be married to the unconditional grants system. Why does he not consider that aspect of the problem for a moment?

However, so far as my constituency is concerned, I venture to say —

MR. GISBORN: They are happy with everything.

MR. MALONEY: Now, look, we have the jumping-jack out of the House tonight, so let us carry on.

The first recollection I have of Santa Claus was one time when I found under the Christmas tree a jumping-jack, and the closest resemblance I have found to that very precious Christmas token from Santa, which I still have, was to see the manner in which the front row fellow—the hon. member for York South of the hon. member's big group of 3—jump up. But now I see, apparently, as a result of some lax treatment, the last

seat man in the 3-man row is, apparently, required to jump with the same agility as the man in the front row.

Mr. Speaker, I trust that I have succeeded in giving some of the reasons why the amendment proposed by the hon. Leader of the Opposition, as seconded by the hon. member for Brant, should be defeated. I feel it is possible that even these two old veterans, before this debate is concluded, will withdraw their amendment and give their support to the motion introduced by the hon. member for Port Arthur.

I do wish the hon. leader of the group of 3 had been with us tonight, as I really had a few remarks he would appreciate, and they would no doubt receive his consideration.

I do not think, Mr. Speaker, that I will take up much of the time of this House to discuss the amendment to the amendment introduced by the leader of the erstwhile socialist party, who learned at Winnipeg that his party could co-exist with the free enterprise system, where he also learned the Regina manifesto could be swallowed whole and entire in the hope that the new product of Winnipeg would prove more palatable and easier to digest.

Judging from the gyrations of the hon. member for Wentworth East tonight, I feel he is having some difficulty with his digestion. My contention is that some of the reasons for the hon. member's attack tonight, and those of his hon. leader, are by reason of the fact that they swallowed their former principles in what will prove to be an unsuccessful attempt to take on a new look. Once a CCF-er, always a CCF-er.

MR. MACAULAY: Once a Communist, always a Communist.

MR. MALONEY: It amuses me to hear the hon. member for York South. I grant that the hon. member for Wentworth East does not make the same references to pipsqueaks, back benchers, buccaneers, profiteers, barefoot millionaires, and all such tommyrot as that

stuff which the hon. member gets out of the socialistic dogma to which he, apparently, devotes so much of his time, and which does no hon. member any harm.

If I am considered to be a back bencher, I want to say to this House I am proud to be a back bencher in the government; I would sooner be a back bencher than to fall into the category in which the hon. member for York South was so properly put by the hon. Provincial Secretary when he was described last year as an overnight guest and this year as a johnny-come-lately from York.

MR. GISBORN: Somebody said that in England 25 years ago.

MR. MALONEY: The time is rapidly approaching when the hon. member and his leader, possibly not the gentleman who sits in the second row, the hon. member for Oshawa (Mr. T. D. Thomas) but he and his leader will be known as the "has-beens" and "used to was", and I would suggest to him now, and ask him to convey this message to his hon. leader, that they should begin to prepare now for their political demise.

And in that connection, I would recommend to them that they consult the hon. member for Algoma-Manitoulin (Mr. Fullerton), who will explain to them in detail the many desirable features of the Fullerton Friendly Layaway Plan.

Mr. Speaker, you as a member of the clergy will agree that a wise man, in the face of death, will always prepare for it, when he realizes that it is immediately upon him. As a lawyer I would suggest to the hon. member that he make some arrangement to bequeath these ill-gotten gains to which he has alluded.

As one sincerely interested in his future welfare, I would suggest that he and the hon. member for York South go to the hon. member for Algoma-Manitoulin. He has many different plans. There is the instalment plan, or the plan upon which one can make a deposit, a layaway plan.

But whatever plan he chooses, I venture to predict here and now, that it is going to be a matter of great regret for all hon. members of this House when we reconvene in the next Parliament to see that our numbers have been depleted by the forcible withdrawal of the hon. member for Wentworth East and his hon. leader.

MR. GISBORN: The hon. member for Renfrew South is trying to get a little money out of me now.

MR. MALONEY: Shades of Mr. Jolliffe and his 33 followers, and the leader of this great, big party.

In conclusion, Mr. Speaker—

MR. GISBORN: Don't stop there.

MR. MALONEY: Well, I should stop here, but when the hon. member for Wentworth East tells me to stop it reminds me of the fact that, in the session last year, there was a bill introduced here known as the northern Ontario pipe line bill, and if my memory serves me right, the hon. member for Wentworth East and the hon. member for York South voted for that bill. Am I wrong in that? They voted for it, did they not?

MR. GISBORN: The hon. member is the person saying it, let him not ask me to agree with him.

MR. MALONEY: Well, I was never ashamed of admitting anything I have done. But here is what the hon. member and his leader would want us to do today by way of amendment to the amendment.

That this House regrets that the government has failed to build a publicly-owned fully integrated system of natural gas—

He does not need any publicly-owned fully integrated system of natural gas—

—so as to provide gas at cost, in accordance with the time-honoured

principle on which Hydro has been built, thereby reducing present consumer prices.

What are they doing in Saskatchewan? Is the CCF government—those in Saskatchewan—building any part of this line so that the people there will get natural gas at reduced prices or at cost?

MR. GISBORN: The gas line in Saskatchewan is on the way for a good job. Do not let the hon. member for Renfrew South worry about that, just let him check on it.

MR. MALONEY: I have endeavoured to look into the matter, and according to the best information that I can find, the gas line in Saskatchewan is being built by the trans-Canada gas line people, by those "buccaneers" to whom the hon. member for York South referred—these "barefoot millionaires"—and Mr. Fines and his government are not charging them one 5-cent piece in the form of corporation taxes.

This amendment to the amendment is conceived in hypocrisy and will receive the fate that all hypocritical creations should receive.

In conclusion, Mr. Speaker, I think I would be remiss in my duty if I did not at this time pay tribute to the grand old champion of eastern Ontario (Mr. Dunbar). May I tell him that we from eastern Ontario were proud the other night when he told the hon. member for York South: "Now," in such an emphatic way. When I tell him that we were proud of the way in which he acquitted himself, I think that I am putting it very mildly.

If his ability is any criterion of what old age will do to a man, then I would like to become old very rapidly, if I could handle myself as the hon. Provincial Secretary did on that occasion. As long as we have men like him and the other hon. members sitting as members of the government, I say that we in Ontario need have no fear.

Apropos of something that the hon. member for Bruce said, and also calling

to mind that the hon. Prime Minister has referred to the new vice-chairman of the Hydro-Electric Power Commission as a "dirt farmer", I want to tell him that down in the riding of Renfrew South we have a considerable population of farmers who are very much interested in obtaining hydro. I estimate that between 85 and 90 per cent. of our county now enjoys hydro-electric facilities.

But there is the remaining 10 to 15 per cent. who do not, and if the present rigid regulations set down by the commission are to be maintained, they will never have it.

I suggest to him, and would ask him and the hon. members of the government, to convey to the members of the Hydro-Electric Power Commission the plight of these people. They do not know how unfortunate it is, and how badly it makes one feel, to see a man residing in one concession enjoying hydro facilities and his neighbour, with his family and little children growing up, being unable to enjoy it, simply because he cannot comply with the regulations of 15 units to the mile or 3 customers to the mile.

I say to you, Mr. Speaker, and through you I hope it will go to the members of the commission, that these regulations must be changed for the betterment of the rural population of this province. I think we would have the unanimous support of all sections of this House, and of all parts of our population, if it were impressed upon the Hydro-Electric Power Commission of Ontario that those of our people who are without hydro are entitled to it and must get it, even if the rest of us have to contribute to the cost of their receiving it.

We, as a government, contribute to the Hydro-Electric Power Commission of Ontario \$7 million a year for the extension of rural hydro. I beg the Hydro-Electric Power Commission that they see to it that these people do get the facilities to which they are so much entitled.

I have in mind particularly one part of my county where the hon. Charles McCrae was born. The hon. Leader of the Opposition and the hon. member for Brant will remember him well; down in the townships of Bagot and Blythfield. There are 43 of my constituents living in that section who are not receiving hydro, and who cannot have it unless these restrictions are removed. If the regulation of 3 to the mile is reduced to 2 to the mile — and I have become known to some of my colleagues, at least, as "2-to-the-mile Maloney" — if it is reduced to 2 to the mile, in every case, nearly all of my constituents will be able to obtain the benefits of hydro.

I would urgently request the members of this commission to consider seriously the relieving of that very rigid, stringent regulation, and I say to the "dirt farmer" who represents the government on the hydro commission: "Fight for our cause. Fight for us with that commission so that our people will get the hydro facilities, to which they are entitled, in all parts of our county."

I am looking forward with great anticipatory pleasure to the production of the master plan of The Department of Highways when it comes forth, because I have no doubt that the great county of Renfrew is in for many good things from the hon. Minister of Highways (Mr. Allan). I know that in our county, where we have so much important work going on and where our assets of a natural nature are so vast, all we need is hydro plus a little shot in the arm from the hon. Minister of Highways, and our problems will look after themselves in large measure.

In conclusion, Mr. Speaker, may I thank you and through you the hon. members of this House for the very courteous hearing that has been given to me, and I see the hon. member for Algoma-Manitoulin is here now, and I am quite sure I can arrange that appointment for the hon. member for Wentworth East before this House closes.

MR. R. ROBSON (Hastings East): Mr. Speaker, following such a brilliant, voluminous orator as the hon. member for Renfrew South (Mr. Maloney), I feel that I am going to be at a very great disadvantage.

However, I wish to associate myself with the previous speakers in paying my respects to you, on the very capable, efficient and unbiased way in which you have discharged your duties as Speaker of this House.

I also want to congratulate the hon. mover and seconder of the reply to the speech from the Throne.

I have noted with much interest the many suggestions made by previous speakers for the betterment of the welfare of our people, and hope that the government will consider them. I want to congratulate the former hon. Minister of Public Welfare (Mr. Goodfellow), that great humanitarian, for having made pensions available to disabled persons between the ages of 18 and 65 years.

But I would like to draw the attention of the hon. members of this House, and of the hon. Minister of Public Welfare (Mr. Cecile) to another group whom I feel should receive special consideration from the government.

I refer to children born with extreme mental and physical retardation. I do not know the medical terms applied to the several conditions, but I do know they cause extreme mental agony to all parents, and financial worry to a great many. I believe that, at present, little or no provision is made for institutional care of these children until they are 4 or 5 years of age, and there is a backlog of even older children awaiting admission into our institutions.

The presence of these children, especially in homes where there are other older children, create a very harassing problem — increasingly so as they approach the age when they should walk and talk, yet do not. So the baby sister or brother, of whom they were so proud, becomes an embarrassment, which often

affects the whole life of the normal child.

I believe that in most cases these children should not be kept in the home with other children, especially after they are a year old. But since we have no public institution to take care of them they must stay at home or go to private institutions where the cost is so great as to be prohibitive to most parents.

So I suggest to the hon. Minister of Public Welfare that he should consider extending the pension to this group up to the age of 18 years, which pension could be used by parents to supplement the cost of care in a private institution.

Coming from a rural riding on the beautiful Bay of Quinte, as I do, where mixed farming predominates, and being actively engaged in mixed farming myself, I think I should direct a few remarks in that direction.

I appreciate the remarks of many of the former hon. speakers on the dilemma of the farmers of Ontario caused by falling or stagnant prices of farm produce and rising costs of production and surpluses.

For several years we sought and received subsidies from the governments to supplement prices received from the trade. But the government, finding it hard to condone this method, persuaded the farmers that better marketing methods and negotiation of prices, and conditions of sale with the processors and trade, would solve our problems much more satisfactorily.

As a result we organized into commodity groups until today we have some 20 schemes in Ontario approved by the government. The government on the other hand gave us marketing legislation which has had to be amended from time to time to meet unforeseen difficulties.

But just when our schemes began working fairly satisfactorily, their legality was challenged and finally were referred to the courts about a year ago, and we waited many long months for a decision. This was very confusing.

I have always thought an elected Parliament was supreme, but it seems with our law schools turning out so many brilliant lawyers today, that no one can be sure of anything. Our courts can be persuaded that even Parliament is wrong.

But as I was saying, our schemes have, on the average, been working fairly well. Conditions of sale have been tremendously improved, and our bargaining power has been magnified many times by our farm organizations.

But farm prices have not kept pace with other commodities because in many cases we have had surpluses, and were told that the old "law of supply and demand" must operate. Now that we have shortages of certain produce, we find that "supply and demand" is a one-way street, for it does not apply.

Always there seems to be some monster raising its head to frustrate us and block our path. Now it is the threat of imports.

Take cheese, for instance. A few years ago we received 36 cents from the domestic market, FOB factory. Our export market disappeared, a surplus appeared, the law of supply and demand took over and cheese dropped more than 5 cents per pound, with the result that production dropped off and now we have not enough cheese to supply our own needs, and a meagre export demand.

But does the "law of supply and demand" take over? Oh, no! We are told if the price goes up, New Zealand cheese will be imported and the home market flooded.

Since our Canadian cheddar cheese is far superior to any produced in the world, I cannot understand why it should not be recognized here as such, and thus sell for a price in excess of that of New Zealand. We cannot produce cheese in Ontario profitably today for less than 38 cents per pound.

The same applies to canned tomatoes from California, which are allowed to come here from their surpluses, and to

be sold in competition to ours, and thus give our processors an excuse for keeping down the price paid to the producer here.

Practically every fruit and vegetable grown in Ontario is affected in the same way. Fresh, poorly flavoured strawberries from the surpluses of the southern United States flood our markets two or three weeks before ours are ripe. Consequently, ours arrive on a falling and satisfied market. Such importation applies to all our fresh fruits and vegetables, and is progressing at an alarming rate.

Fowl, especially turkeys, from the United States, flood our market the year round, notwithstanding the fact that we can produce sufficient quantities and better quality here in Ontario. At the same time, we are not allowed to dump our surpluses on the American market.

All this is taking place regardless of the fact that not only is our farmer suffering, but we are piling up an enormously unfavourable trade balance with the United States. This has been repeatedly brought to the attention of the Rt. hon. J. G. Gardiner at Ottawa by our farm organizations, with a request that the situation be rectified to the extent that we receive prices somewhere near parity costs.

But the Rt. hon. Mr. Gardiner shrugs off his responsibility by quoting overall Canada statistics showing that farm incomes have increased year by year. Certainly, gross incomes have increased, but what we are interested in is "net income" or "take home pay" as our friends in labour call it.

It appears to us that the Rt. hon. Mr. Gardiner is blinded to our needs by the desire for the labour vote, which now surpasses ours, by offering workers cheap food on one hand and larger pay and shorter hours on the other. But is Rt. hon. Mr. Gardiner attaining his objective of cheaper food for the housewife? Notwithstanding the fact that the price of corn, peas and most other commodities has remained the same to the producer for the past 4 or 5 years, the

unit price to the consumer has risen progressively.

This, I think, is a condition that a select committee of this House might well be formed to investigate. For here is where another monster is appearing on the horizon to change our established methods of trade. I refer to the large and powerful chain stores which appear to be making a strong bid to monopolize the retail trade.

When one man can pick up the receiver from his telephone, call a packing plant, and order 1,000 carcasses of beef at a price, and say: "If you cannot deliver at that price do not call back, for another plant will," he puts the squeeze on the packing plant or the processor, as the case may be. The plant or processor must sell even if he takes a loss today.

But tomorrow, he will go out and saddle that loss on to the producer. This is the thing that is striking fear in the heart of every farmer, who knows that, unless he wants to be a hewer of wood and drawer of water for these heartless combines who think only of their job and their shareholders, he must organize to the extent that he can control the sale of his produce and get legislation that will allow him to do it.

To that end we are training our farm boys and girls, beginning in the public school. In our 4-H clubs, of which there are thousands in the province of Ontario, they are given projects to do under supervision and are judged in friendly competition for efficiency, showmanship, initiative and skill. They are also taught expression and public speaking.

From the 4-H clubs, the young people go on to the junior farmer and junior institute groups, where they continue their training in better farming methods, in county and provincial competition, in the art of learning to work and play together, and in developing the community spirit so necessary in our rural way of life. Then if these young people decide to make farming their occupation, they have had some planned training.

These are the people who will be our farmers of tomorrow. When called upon

to appear before a group they do not shrink back, because they have been trained to express their opinions in public.

These are the farmers who will head our organizations and meet the processors on a more even ground, and demand their fair share of the shareholders' profits, and say to the combines: "You too will give us a fair share of your profits, or the processor may not have the 1,000 sides of beef for you."

In conclusion may I say I feel that, if the farmer can pull in his belt and weather the storm for the next few years, and if we can get co-operation between the farm organizations, the government, and the courts for permissive legislation to meet the requirements of the day, and if the Ottawa government will give us some protection from importations of surplus foods from other countries, there is a bright future ahead for the farmer.

But, in my opinion, only by mandatory collective marketing and bargaining can the farmer ever hope to attain the standard of living that, by his importance to the very existence of our people, he so richly deserves.

MR. W. MURDOCH (Essex South): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

CLERK OF THE HOUSE: 63rd order, resuming the adjourned debate on the report of the select committee on toll roads.

REPORT, TOLL ROADS COMMITTEE (*Continued*)

MR. A. MACKENZIE (York North): Mr. Speaker, in rising, to begin with, in my brief discourse on toll roads, I would first like to acknowledge the fine work of our chairman, the hon. member for London North (Mr. Robarts) in directing the affairs and meetings of the committee, and also my

appreciation of the associations I have had with my hon. fellow members of the committee and of their courtesy to me at all times.

I would especially like to express my appreciation to our secretary for his devotion to his duties and untiring efforts on our behalf.

As I do not need to point out, it was our duty as a select committee of the Legislature to sit together, to try to work out the problem which was assigned to us, and to bring in our recommendations, in an endeavour to point out the facts of the situation and provide some suggested recommendations to cope with the problems of the feasibility of toll roads.

It was a pleasure to sit with this committee and receive the opinions and counsel of senior public servants, and to realize that Ontario is fortunate to have a civil service of such high calibre. I feel that we in Ontario can be justly proud of our highway engineers who, with the support of the Legislature and the guidance of the hon. Ministers, have developed in Ontario a fine highway system indeed.

As we have mentioned, we considered our responsibilities to be two-fold: first, to consider the toll principle, and to decide if it would be advisable to apply it anywhere in the province to the advantage of the people; and second, to review our problems relating to highway financing generally.

Early in our study it became obvious that good roads are essential to Ontario, and that although we have an excellent highway system it is felt that this is now becoming inadequate to cope with the tremendous business development of our province.

If one looks back in history, one learns that the greatest nations were the ones that built and maintained good road and transportation systems. Rome's greatness was due in very great part to her roads, which linked the far-flung parts of her empire.

It was apparent to the committee that, if we were to be familiar with the prob-

lem of toll roads and bridges, we should examine the places where such systems already existed.

At this point, I would like to acknowledge the courtesy and generosity of the officials of the different organizations and authorities in the United States who quite willingly explained their toll roads set-up and showed us the costly roads and bridges which were built by this method.

With the hon. members of the committee, it was my privilege to visit the state of Ohio, and examine their toll road set-up, which is a very fine one indeed. At the expiration of our visit, I had the opportunity of taking a personal trip to the state of West Virginia. In West Virginia I talked with people concerning the toll road built there. From my impressions formed, this is a very fine highway.

But to date it has not been a financial success for various reasons. This was due, from information I gathered, to an elaborately constructed highway through very difficult country lacking the density of population and traffic to justify such a project. In fact, the situation there is very close to conditions on the King's highway No. 400, running north, and No. 401 in the southern part of this province. These highways are development roads to serve local needs as well as those of the province itself.

I might also say that, owing to lack of time, I was sorry we were unable to make a study of the Boston-to-Maine turnpike, where conditions are very similar to our highway No. 400, having heavy summer traffic and slacking off in the winter periods.

To my mind, toll roads could be built in places of high population density with tremendous movements of traffic, such as the New Jersey turnpike, the New York thruway, the Pennsylvania turnpike, and others. In Ontario the only such location to my mind is between the important metropolitan cities of Toronto and Hamilton. It is for that reason that we recommend that a study be made of a new road, built to high

standard, to link these two cities with a strict control of access.

I do not believe that access on a highway, such as the King's highways No. 400 and No. 401, should be so strictly controlled as to prevent people on the highway from being able to use it. Once we start to seal off a road, then perhaps it is quite reasonable to assume that the people given the privilege of travelling on it should pay for it.

There is no inconsistency in this, since such a strictly controlled access road does represent a super-highway. King's highways such as No. 400 and No. 401 are not super-roads, they are roads built to the standard required by the heavy traffic demands, and in fact on a vehicle mile basis they more than pay for this.

I found from our meetings an urgent desire and demand from the citizens for an early completion of highway No. 401, and therefore I urge most strongly that this highway be built as quickly as possible and that planning proceed now to build all the remaining portions of this highway.

I was most pleased to support the recommendation that if traffic does not immediately justify 4 lanes, then by all means let us build 2 lanes now so that the road can be used in its entirety from Windsor to the Quebec border.

We found in the United States that the toll method has been used widely to finance roads and bridges which would not otherwise have been constructed. In the New York city area there are many toll structures, in fact it is not possible to drive into the city without paying a toll. This is contrary to our thinking, since we believe that the toll method is a last-resort one, to be used to finance extremely high-cost structures which give to travellers a premium benefit. The cost of the toll charge therefore may actually be recovered through savings in time and convenience.

I believe in Ontario we should continue to build our highways as free

roads and ordinary bridges as part of the highway network.

However, when a bridge such as the costly span at Burlington is required, the taxpayers of the province should be relieved of this cost and the users should contribute towards its construction. When we span a federal waterway, and provide an alternative route for out of province traffic, as well as Ontario vehicles, it is reasonable to consider the toll method and to obtain a feasibility study.

We in Ontario can be proud of our highway system, and I would like to state that I fully endorse the committee's stand in urging that our highway construction be speeded up in order to serve the growing needs and provide good highways for passenger travel.

Local representatives who appeared before the committee stressed the fact that there were critical demands in their home districts, especially in the Hamilton and Kitchener areas, and that they were willing to contribute a fair share towards improving the situation. A good highway system is fundamental for the best development of the province, and in many ways the money we spend on roads is returned to the province through the development of our commerce and industry.

I should add that, from the military point of view, good roads are essential if we are ever called upon to defend our homes from invasion. It was for that reason that we urged the federal government to consider the highway construction problems facing the province, and to contribute beyond the amount given for the trans-Canada highway. This highway, being in the north of the province, does not help to serve the tremendous traffic demands of the southern part.

I might say we were approached by interests from western Ontario and some of the border states, who requested consideration of a toll highway between Windsor and Fort Erie, which would also serve as a connecting line between the American system of through high-

ways between Detroit and Buffalo, providing highway communication shorter by at least 100 miles than the southern route.

I wish to point out that, between these two centres, there are several railway lines used by Canadian as well as American railways, and perhaps if these railways at some time in the future found it to their interest to combine, leaving one of the right-of-ways free, that right-of-way might well be converted to a toll road to connect with highway No. 401, or across the entire southwestern section of the province.

This is only a thought, since there are many complications involved in such a proposal.

There is one objection in particular to the construction of a new road, and that would be the taking out of cultivation the fine arable lands through which it would traverse, and the dislocation of farm homes.

We examined the highway problems of the northwest part of the province very closely, and in particular studied the proposed connecting line between Fort Frances and Atikokan. I believe that this highway and causeway should be constructed as soon as possible as a free highway so that the Fort Frances area can serve the growing market of Atikokan and the Lakehead cities of Port Arthur and Fort William.

For those hon. members who are not familiar with Fort Frances, I would suggest that they visit the riding of the hon. member for Rainy River (Mr. Noden) and see at first hand the fine farming district and valuable natural resources in evidence.

A road linking Atikokan and Fort Frances is really a development road, and should not be determined on the basis of traffic but rather on the great contribution that such a road will make to their business and social life. There is no doubt that this road will serve to open up the great natural resources which are so abundantly evident in this area, for instance the wonderful iron mines at Atikokan and our great natural

heritage in the Quetico wilderness park, still in its natural state.

To demonstrate my point, all one has to do is to consider the tremendous development of the Muskoka and Parry Sound areas which has resulted from the construction of highways No. 400 and No. 69 leading to the north.

Concerning highway financing, the committee recommended that fuel taxes and registration fees be increased only if there was an acceleration in the highway construction programme. For those who say that our sources of revenue were adequate with an 11-cent gas tax and our present scale of registration fees, this can easily be refuted when one considers that our deficit by March 31st of this year, and for the fiscal year, will be approximately \$58 million. That does not take into consideration any of the interest charges on the highways debt, but is a comparison of revenue to highway capital and maintenance expenditures.

Obviously, if the construction programme is accelerated, the deficit will grow greater every year, and therefore if we are to continue with our construction programme we will have to have more funds.

The demand for roads is not limited to the King's highways, in fact municipal corporations especially are quite concerned over the fact that they are unable to keep up with the demand. Many of our county roads are serving traffic which in large part originates from outside the county, and therefore perhaps the province could consider increased aid on such roads.

The committee feel that highway links through an urban area should be the responsibility of The Department of Highways, and this would give the department the opportunity to maintain these highways and control their use in the best possible way, and if necessary avoid conflict with local traffic by providing a highway by-pass around a municipality.

Our recommendations are submitted to the Legislature in good faith for consideration, particularly those which out-

line that adjusted registration fees, variable fuel taxes and perhaps eventually the weight-mile tax, require careful study by the government in order to decide just what approach is best.

I was pleased to hear that the government intends to establish a Department of Highway Transport to conduct such studies.

We attempted to be fair at all times, and all of our recommendations are designed to improve the highway situation with a minimum of increase in the burden of passenger car owners and truck operators alike. Truck transportation is vital to our way of life, and we must therefore ensure that the taxation base is a fair and equitable one.

But we must also see that sufficient roads are constructed to ensure safe and swift passage of transport vehicles. On a narrow two-lane road, any large vehicle can create dangerous accident hazards when impatient drivers attempt to pass, and from a safety standpoint alone improved road construction may well pay tremendous dividends to the people of Ontario.

There is little advantage in owning a fine motor vehicle with a very efficient motor if there is no adequate road on which to drive. Unless we increase our highway construction, we will be in that exact position particularly in the southern part of the province. We spend much more on motor vehicles than we do on our highways.

In conclusion, I believe that the people of Ontario possess sufficient resourcefulness and initiative to make this area the heart of industry and commerce. We

would not be doing our duty if we did not provide the necessary roads to serve our people, and I might pay a further tribute to our Department of Highways, which from my observations have constructed as fine a highway system, with our limited means, of any that exists on this continent.

MR. J. ROOT (Wellington-Dufferin): I move the adjournment of the debate.

Motion agreed to.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in moving the adjournment of the House, may I say that tomorrow, there is a speaker or two who would speak on the Throne debate, and also a speaker or two who might be prepared to proceed on the toll roads matter.

I would also ask the House to be prepared to cover the committee stages of the bills on the order paper, if it is possible to reach it.

May I say that I have no desire to hurry over any of those items, and it would be largely a matter of clearing the order paper of a lot of uncontentious matters. If we reach a point on anything that any hon. member would like held over, I would be glad to do so. This will be in committee stage only.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10.10 of the clock p.m.



ONTARIO

Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, March 15, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Friday, March 15, 1957

Second report, standing committee on legal bills, Mr. Myers	1165
Second report, standing committee on health, Mr. Dymond	1165
Motion re House convening at 2.00 o'clock during rest of session, Mr. Frost, agreed to	1165
Presenting report, Mr. Dunbar	1166
Resumption of debate on the speech from the Throne, Mr. A. G. Frost	1170
Motion to adjourn debate, Mr. Rankin, agreed to	1173
Report, toll roads committee, continued, Mr. Root	1173
Motion to adjourn debate, Mr. Yaremko, agreed to	1184
Highway Improvement Act, 1957, resolution concerning, concurred in	1184
Corporations Tax Act, 1957, resolution concerning, concurred in	1184
Mining Tax Act, resolution concerning, concurred in	1184
Junior Farmer Establishing Act, 1952, resolution concerning, concurred in	1184
Village of Forest Hill, bill respecting, reported	1185
City of Sault Ste. Marie, bill respecting, reported	1185
Township of Crowland, bill respecting, reported	1185
City of Windsor, bill respecting, reported	1185
Town of Fort Frances, bill respecting, reported	1186
Erin Fifth Line Union Church, bill respecting, reported	1186
United Church of Canada, bill respecting, reported	1186
Hamilton Health Association, bill respecting, reported	1186
City of London, bill respecting, reported	1186
City of St. Thomas, bill respecting, reported	1186
City of Hamilton, bill respecting, held	1186
Public Health Act, bill to amend, reported	1186
Separate Schools Act, bill to amend, reported	1186
Teachers' Superannuation Act, bill to amend, reported	1186
Interest of the Crown in lands pledged for purposes of bail, bill to protect ..	1187
Department of Highways, bill respecting, reported	1187
Highway Improvement Act, 1957, bill intituled, held	1187
Public Lands Act, bill to amend, reported	1187
Surveys Act, bill to amend, reported	1187
Motion to adjourn, Mr. Frost, agreed to	1188

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

FRIDAY, MARCH 15, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. R. M. MYERS: Mr. Speaker, I beg leave to present the second report of the standing committee on legal bills and move its adoption.

CLERK OF THE HOUSE: Mr. Myers presents the second report of the standing committee on legal bills, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 72, An Act to amend The County Judges Act.

Bill No. 76, An Act to amend The Magistrates Act, 1952.

Bill No. 77, An Act to amend The Mechanics' Lien Act.

Bill No. 78, An Act to amend The Parents' Maintenance Act, 1954.

Bill No. 92, An Act to amend The Interpretation Act.

Bill No. 93, An Act to amend The Judicature Act.

Your committee begs to report the following bills with certain amendments:

Bill No. 71, An Act to amend The County Courts Act.

Bill No. 73, An Act to amend The Execution Act.

Bill No. 75, An Act to amend The Land Titles Act.

Bill No. 79, An Act to amend The Registry Act.

Bill No. 91, An Act to amend The Division Courts Act.

Bill No. 94, An Act to amend The Probation Act.

Motion agreed to.

MR. M. B. DYMOND: Mr. Speaker, I beg leave to present the second report of the standing committee on health and move its adoption.

CLERK OF THE HOUSE: Mr. Dymond presents the second report of the standing committee on health, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 100, An Act to amend The Nursing Act, 1951.

Bill No. 127, The Private Hospitals Act, 1957.

Bill No. 135, An Act to amend The Medical Act.

Motion agreed to.

MR. SPEAKER: Motions.

HON. L. M. FROST (Prime Minister): Mr. Speaker, as I intimated earlier in the week, from this time forward in the session, I would like to have the House convene at two o'clock. I think the committees generally are

caught up. We have one or two committees functioning.

One of these is the committee on health. It has already been convened but there is the matter of hospital insurance, and if we run into that situation we might adjourn the sittings of the House over a day if it is necessary.

Hon. Mr. Frost moves, seconded by hon. Dana Porter (Provincial Treasurer) that commencing on Monday next, March 18th, and thereafter on each day of the present session, this House shall meet at two of the clock in the afternoon, and that the provision of rule No. 2 of the assembly be suspended so far as it might apply to this motion.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, is it to be assumed that the adoption of this motion would alleviate, in the main, the necessity for night sessions?

HON. MR. FROST: I would not think so. I think it will be necessary to have two night sessions in each week.

MR. OLIVER: What is all the hurry?

HON. MR. FROST: Well, there is not any hurry. I read in the press there was not any hurry, and I can assure the hon. leader of the Opposition there is no hurry.

But I would point out that I had a statement from the hon. member for Oshawa (Mr. T. D. Thomas) to the effect that hon. members like to be kept busy, and felt they were kicking their heels around a bit, and I want to be accommodating. I think if we meet at two o'clock, it will not be too onerous.

Motion agreed to.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

First Annual Report of The Department of Highways for the province of

Ontario for the fiscal year ended March 31, 1956.

MR. SPEAKER: Introduction of bills.

Before the orders of the day I would like to welcome, to the assembly, pupils from Heron Park School of Scarborough; Robert Land School of Hamilton; and Ridgetown District High School, Ridgetown. These students are here to view the proceedings of the House and we welcome them.

MR. D. C. MacDONALD (York South): Mr. Speaker, before the orders of the day, there is an interesting bit of information which I think the House should be made aware of, on page 15 of this afternoon's *Toronto Telegram*. In a story reporting on yesterday's debate, there is this paragraph:

Mr. Frost admitted he moved ahead the consideration of the estimates of the Planning and Development Department to give himself an opening to discuss the federal finances.

If the hon. Prime Minister made this statement outside the House, would he confirm it here?

HON. MR. FROST: Yes. Yesterday I was accused of playing politics in this House, and having luncheon with hon. John Diefenbaker, and taking part in a great conspiracy to plunge this dignified assembly into a cauldron of political discussion and politics. This is quite unwarranted.

I would not say that anything the hon. Leader of the Opposition said is untrue, but I think, as in very many cases, he was misled and incorrect. It is quite true —

MR. MacDONALD: I will not describe the hon. Prime Minister's smile as a smirk.

HON. MR. FROST: —it is quite true that I stated to the House on Wednesday afternoon that the estimates of either The Department of Mines or the

estimates of The Department of Planning and Development would be discussed, and what brought that about was this:

I was reading the evening newspapers here, glancing at them in between orders of business, and there I saw it was announced that the hon. W. E. Harris had a surplus of \$282 million. I read the statement about the places where he had put the money and, of course, I knew about the Canadian council of arts, and it did not take a great deal of mental effort to arrive at the fact that he had between a \$500 and \$600 million surplus.

I decided perhaps it would be a fit and proper time to discuss that matter in the House, and I personally put The Department of Planning and Development estimates on, so that if so desired, I might discuss that situation. I thought it was of great public interest and concern.

I had no intention of engaging in a matter of federal politics; this matter affects our taxpayers in this province and that is why I discussed it. Hon. John Diefenbaker's visit here — it was a very pleasant visit that I had with him, because he is a great friend of mine, and I have a great deal of admiration for him — had nothing whatever, even remotely, to do with this matter.

MR. OLIVER: None whatever.

MR. MacDONALD: Absolutely not.

HON. MR. FROST: Except this, I had the refreshing personality of that man with modern up-to-date views on the revised thinking that is becoming very ingrown down in the city of Ottawa.

Furthermore, in passing, I might say that I was quite impressed as the hon. member for Renfrew South passed down the so-called benefits in this budget, and stated at the end that they are saving unto themselves another \$152 million, half of which comes from Ontario.

Some \$75 million comes out of the "hides" of the hon. members in this House, and of others in the province like themselves. I would say that \$75 million would make our situation here very much easier and sounder; it would save the people of metropolitan Toronto 2 mills on their tax rate.

Like every municipal taxpayer when he looks at his bill, let hon. members remember that this is due to the misdeeds in the city to the east of us.

MR. OLIVER: Now that the hon. Prime Minister has restated his political opinions, I would just add this:

In all the speeches the hon. Prime Minister has made in this House, there never was a greater political "dud" than the one he made yesterday. It was clearly designed to be a political speech, and could not be interpreted as anything else. He entered into a guessing contest as to what the federal surplus would be, but he knew full well that the true figures would emerge in a few hours. No one, excepting one making a political speech, would indulge in that sort of thing.

The hon. Prime Minister can eulogize the hon. leader of the Conservative party at large as much as he wishes, and in this case the more he eulogizes him, if he places that eulogy on the lack of factual basis that he dealt with yesterday, the greater harm it will do to the hon. federal leader.

HON. MR. FROST: May I point out to the hon. Leader of the Opposition he should become more familiar with the practice at Ottawa. The point was this:

On Wednesday, the hon. Mr. Harris tabled in the House the particulars of his budget figures and tabled his estimate of the surplus. The \$282 million current surplus was his own estimate, not mine, and I simply read his statement. Any person who can add two and two together could see what the real surplus was—\$500 million or better.

MR. OLIVER: That is what the paper said this morning.

HON. MR. FROST: I would also point out the position is different there than here.

MR. OLIVER: It is.

HON. MR. FROST: Mr. Speaker, here, the hon. Provincial Treasurer (Mr. Porter) announced in his budget speech what the particulars are. In Ottawa, the day before the speech, they table the figures of the budget, giving the surplus or deficit or other particulars which are filed and scheduled, and the next day they give their statement relative to taxes or adjustments that would be made.

I was using the official figures that came from the budget of the hon. Mr. Harris. I was not projecting or guessing, I was using his own figures. I can send over to the hon. Leader of the Opposition the afternoon papers of Wednesday, which have all the particulars.

MR. OLIVER: For the remainder of this session, Mr. Speaker, if the hon. Prime Minister wants to conduct the business of the House, having in mind the business of the province, then we will co-operate with him. If the hon. Prime Minister wants to fight the federal election here, we will also co-operate with him. He can make up his mind.

HON. MR. FROST: I consider, of very deep and vital interest to this province, the matter of taxes arising from fields which are ours just as much as theirs.

MR. MacDONALD: The hon. Prime Minister would not raise them when he had the chance. He dumps them on the little fellow and will not raise them from the big fellow.

HON. MR. FROST: I certainly intend to discuss points relating to this matter without fear or favour in the interests of the people of this province. I will be glad to have the co-operation of the hon. Leader of the Opposition, but I will do that whether he co-operates or not.

MR. OLIVER: When the hon. Prime Minister says he will do that—

MR. SPEAKER: Order, order.

MR. OLIVER: I am going to answer the hon. Prime Minister, Mr. Speaker.

MR. SPEAKER: Order, order; the hon. Leader of the Opposition must take his seat when the Speaker rises.

MR. OLIVER: Then I will, for the moment.

MR. SPEAKER: We have allowed a great deal of latitude. This question was not referred to me before the session began. Actually, there was not any reason for it. As I say, we have been allowing a great deal of latitude and I think it has gone far enough, so let us get on with the business of the House.

MR. MacDONALD: The hon. Prime Minister started it yesterday by violating the rules of the House in bringing in extraneous matters.

HON. MR. FROST: Mr. Speaker, may I ask for your indulgence. I do not think the hon. Leader of the Opposition is a violator of the rules of the House, and if he wishes to make a statement, as far as I am concerned, it is quite all right.

MR. SPEAKER: If it meets with the approval of the House. The hon. Leader of the Opposition, in general, obeys the rules very scrupulously.

HON. MR. DUNBAR: As long as he makes it abundantly clear.

MR. OLIVER: I would rather say these few words with your indulgence, Mr. Speaker, than with the indulgence of the hon. Prime Minister. I just want to say this:

When the hon. Prime Minister says he will put through legislation whether we want to or not, that is typical of the hon. Prime Minister and typical of his govern-

ment. If he wants to assume that autocratic role, which he is so good at doing—and which up until now he has pretty well camouflaged—the sooner we know it, and the sooner the people of the province know it, the better.

MR. G. T. GORDON (Brantford): Mr. Speaker, before the orders of the day, I would like to ask the hon. Attorney-General (Mr. Roberts) a question.

On March 7th a submission re trading stamps, signed by 12 organizations representing labour, agriculture, co-operative unions, women's organizations and Canadian consumers' associations, was presented to the Crown attorney and chief of police of the city of Ottawa. This submission urged prosecution, and a test case, of the many trading stamp schemes operating in Ottawa in open defiance of the criminal code. Would the hon. Attorney-General tell us, then, why allegedly illegal schemes are allowed to operate?

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, the question put by the hon. member for Brantford requires, perhaps, an explanation to this House of just what is meant by a trading stamp offence.

First of all, in respect of the question so far as it relates to the material recently supplied to the Crown attorney at Ottawa, I have been given some information by the Crown attorney within the last few moments.

I thank the hon. member for Brantford for bringing to my attention his intention of asking this question in time for me to make this inquiry as to what the position is in Ottawa.

I have received from the Crown attorney of Carleton the following information:

Very serious study was given to the material and information, in Ottawa, by the Ottawa police and the Crown attorney's office. But the Crown attorney found that there was not sufficient evidence to warrant a prosecution in the light of the law as it is now.

He did say that if any of those desiring action wished to proceed by way of what can be termed "private prosecution" or "private informing", the facilities of his office would be at their disposition.

On the question of trading stamps: the hon. member has referred to a letter—I thought he was going to refer to a letter that he received from the hon. Minister of Justice, but since he has told me about it perhaps he will not mind my mentioning it as I go along.

The hon. Minister says this trading stamp provision of the criminal code has been there more than 50 years, and was re-enacted without change in the recent edition of the criminal code.

Section 322 of the criminal code defines "trading stamp" as including, and I will quote from the criminal code so that it will be clear on the record:

Trading stamp includes any form of cash receipt, receipt, coupon, premium, ticket or other device designed or intended to be given to the purchaser of goods by the vendor thereof, or on his behalf, and to represent a discount on the price of the goods or a premium to the purchaser thereof.

Then it goes on to say:

may be redeemed in a variety of ways as set out in the code by any person other than the vendor, the person from whom the vendor purchased the goods, or manufacturer, or by the vendor, the person from whom the vendor purchased the goods, or by the manufacturer of goods in cash or goods, and so on, or by the vendor elsewhere than in the premises where the goods are purchased, or that does not show upon its face the place where it is delivered or the merchantable value thereof or that may not be redeemed upon demand at any time.

That definition takes in a certain amount of ground, but, certainly, not all the ground.

Section 369 makes it an offence to issue trading stamps. That, of course,

means trading stamps as defined by the defining section.

There are a variety of trading stamp projects, some of them legal and some of them not. When is a trading stamp not a trading stamp? If the hon. member wants an answer, it might be said, when it is really part of trading, honest and competitive trade.

I think when this provision of the criminal code was first enacted in Parliament, the legislators were anxious to preserve the rights of retailers, wholesalers, and manufacturers to offer premiums and discounts by wrappers and premiums attached to their products. They wanted to preserve that. But they wanted to eradicate trading stamp schemes promoted and organized by trading stamp companies.

The definition was drawn, and that was over 50 years ago, with this distinction clearly in mind, and in order to do this it was necessary to exempt, from the definition of trading stamps, transactions that were regarded as perfectly legitimate and proper.

A modern trading stamp company is advised by clever advisors as to just what is, and what is not, a crime under these sections. So such a company frames its scheme so as to be outside the prohibitions of the code, or at least, it tries very hard to do so.

Crown attorneys from time to time, and the Crown attorney of Carleton is the last example, have looked over schemes, considered complaints, and then determined whether or not prosecution should follow. The Crown attorney considers the evidence likely to be submitted at the trial, and if that evidence is not sufficient to cause a conviction, and if the Crown attorney is clearly of that view when he is reviewing what is the probable evidence, naturally he does not recommend the prosecution.

It is all very well to say that this old section, which was there for specific purposes, is still sufficient because it was embodied in the latest edition of the criminal code. But that is not in accordance with the facts.

The hon. member inferred in the format of his question that these offences are going on and are not being prosecuted.

If the government of Canada, which has exclusive jurisdiction in the criminal field, wants to widen the definition of trading stamps, to make illegal or criminal some of those transactions which are going on today, and which are outside the code at the present time, then it can. But, until, and unless it does act, it is not the intention of those who are responsible for the administration of the criminal code to launch out on prosecutions which, on the advice of their technical advisors, have no chance of success. That, I think, is the position that has been taken here.

MR. SPEAKER: Orders of the day.

ADDRESS IN REPLY TO THE SPEECH FROM THE THRONE

MR. A. G. FROST (Bracondale): Mr. Speaker, if there is one thing more than another which has impressed me as this session of the Legislature proceeds, it is the vast size of the problems and the projects with which we of this province are faced. The reason is not difficult to locate.

In 1943, Ontario had a population of 3.9 million. Today, within our borders, there are 5.4 million people. In this short period there has been a population increase of 1.5 million people—more than are resident in the whole vast metropolitan Toronto area. The increase is due to a high birth rate, coupled with the fact that more than 54 per cent. of immigration coming to Canada locates within Ontario's borders. And, I suggest, what higher compliment could be paid to this province?

In 1946, our labour force comprised 1,711,000 workers. Today the number exceeds two million. In the year 1956, new capital investment in Ontario is estimated at nearly \$2.75 billion. The value of Ontario farm products—\$386 million in 1943—has increased to an estimated \$753 million for 1956.

In 1945, our mineral production was \$216 million. For 1956, it exceeded \$640 million. Our tonnage of paper production has about doubled in the last 12 years—2.4 million tons for 1956.

In 1943 our 10,587 manufacturing establishments produced goods valued at \$4,221 million. By 1956 there were 13,500 manufacturing industries producing goods valued at nearly \$11 billion.

Our output of electrical energy is 3 times what it was in 1946, and 4.25 times what it was in 1939. Rural customers of Hydro number 4 times as many as in 1939, and 3 times as many as in 1944.

There are 1.1 million pupils in our schools, and our present educational facilities, so it would seem, will have to be doubled within the foreseeable future.

There are many other figures which might be quoted in relation to our astounding expansion. I have mentioned only a few items but they are enough to indicate why there are such demands on our provincial and municipal governments for an expansion of facilities.

One of the most important facilities will be found in our establishment of general hospitals, mental hospitals and sanatoria. Hospital bills are beyond doubt a bugbear to the average family. Hospital costs vary widely, according to the location and type of hospital. They will not run less than \$12 or \$15 a day. Very many of our people protect themselves through Blue Cross or one of the other similar schemes in which our people participate in such large numbers. But by no means are all of our people so covered. Again, there are the indigent cases, posing such a formidable load against both the province and the municipalities.

We have before us the proposals of this administration setting out what appears to be a sound, workable scheme of complete hospital coverage, available to every man, woman and child in Ontario.

We are all very happy that the hon. Prime Minister (Mr. Frost), the hon. Minister of Health (Mr. Phillips)

and the hon. Provincial Treasurer (Mr. Porter) have pressed their case to the point where, in a couple of years hence, every man, woman and child in Ontario will be covered by a comprehensive scheme of hospital insurance, so that the nightmare of crushing hospital bills will be removed once and for all.

I have spoken of the need for extra facilities required by our people in the light of the vast increase in our population and the development of our province.

I can remember, as most hon. members can, the day when a distinguished hon. member of this House used to travel around the province as the advocate of the small towns and cities. I refer to the late Russell T. Kelly, who served with distinction as Minister of Health. The late hon. Minister felt that growth would be more healthy if distributed among a host of smaller centres rather than having a huge growth of the large cities.

Whatever the merits of the case, the fact remains that large cities always tend to grow still larger, whether London, England; Los Angeles; New York city; or metropolitan Toronto. Right here we are seeing the penalties of largeness: more and more demands for hospitals, schools, water and sewage services, roads, streets, highways, pavements, public transportation — all the elements which go into modern community living.

Of these, one of the most important is transportation, and as I have done before, I should stress mass transportation. Lack of mass transportation is one of the great lacks in our huge suburban areas. The suburban resident is almost forced to have an automobile—and for mass transportation this is the most inefficient medium ever invented. It clogs our city streets. It holds but a few people. It presents an insoluble parking problem.

It will not be years—it will be decades—before the metropolitan transport commission can give adequate services throughout our metro area. The com-

mission is in trouble right now. They are faced—or someone is faced—with the cost of building a Bloor-Danforth subway, estimated to cost \$150 million. The present subway was to cost an estimated \$22 million, or thereabouts, but actually I do not know what it cost. An expenditure of \$58 million is freely admitted.

Calculating on this basis, an east-west subway might cost \$400 million. We just have not this kind of money. Ottawa has, of course, but that does not help us. Surely we have a more obvious remedy to relieve our transportation problem.

I do not deny the pressing need of the east-west subway. And certainly it should be a tube—not the costly cut-and-fill system used in building the Yonge Street subway.

But here we have the main lines of the Canadian Pacific Railway and the Canadian National Railways crossing the city from east to west. Then we have a Canadian National Railways branch running to Stratford, another to North Bay, and another to Lindsay. We have Canadian Pacific Railway branches running to Sudbury and to Peterborough.

In a word, looking at a railway map of metropolitan Toronto, we find a network of railways, north-south and east-west, and yet we find just one commuter service serving the Toronto-Oakville area. Such places as New York and Chicago—and indeed Montreal, which I found very satisfactory—have vast commuter services. From the nature of their location they could not function without them.

The railways say these services do not pay, that in Toronto they have not the station facilities; there are a hundred and one excuses. But do they really try to make such services pay? I doubt it. We see progress in the businesses of auto manufacturing, electricity, bus lines, in almost every line of business we can mention. Yet the railways, insofar as short haul business is concerned, are using just about the

same type of equipment and methods as they used half a century ago.

The Canadian Pacific Railway has been a great beneficiary of the federal government, including huge land grants in the old days of the west, big loans when needed, and so on. For years the Canadian National Railways “milked” the federal treasury for an annual deficit of around \$40 million.

These railway companies have not been alert. Had they been on the job they would never have lost business, as they have lost it, to the bus companies and the big trucking companies.

I suggest, Mr. Speaker, that we might do worse than to appoint a select committee of this House to investigate the entire business of commuter services. Let such a committee explore what is being done in New York, for example, and see whether or not we can accomplish something similar right here. It might save us, provincially and municipally, hundreds of millions of dollars for new super-highways, new streets, new parking spaces, and new street railway extensions.

I feel strongly on this subject, especially because of the hardships imposed on our vast throng of suburban dwellers. They deserve better treatment than they are getting as to local transportation, and I am satisfied that the remedy lies, in large degree, on the extended use of our great railway facilities.

I turn now for a moment to the plight of our aged citizens. There is a very great weakness in the structure of our old age pension scheme. These pensions are paid to all qualifying persons on attaining the age of 70. They go alike to pauper and millionaire. They are of no value to the wealthy man or woman, for they are simply “kicked back” to Ottawa in the form of income tax. On the other hand, they are inadequate — entirely inadequate — for the man or woman who has no other source of income.

And now, regarding the federal government's boast about an increase, do

they consider \$6 an increase? It is a shameful amount — possibly it is a reporter's or printer's mistake.

The same figures reversed is possibly what was intended — \$64 — not the meagre \$46 monthly they state.

With an election in the offing at Ottawa, it is natural for some to call it an increase, but I disagree.

However, when an election approaches, it is surprising how things loosen up in Ottawa — in some ways — when a Liberal government is in power — a new post office, or a new dock.

Regarding old age pensioners: in the United States there is a system of social security which covers 90 per cent. of the earning population. It is an actuarial system, supported by payments from employer and employee, with special provision for self-employed people. There is a lot of literature dealing with this subject. I cannot go into the details of the legislation, but what happens is this. Those who share in the system can retire on a modest income, sufficient in itself to provide a decent livelihood for the elderly man or woman, the elderly couple, or the widow and her dependent children.

I suggest that this system is a proper subject for investigation by the federal authorities — or if they are too indifferent to act, then I suggest that our own Department of Public Welfare has all the essential facts. Perhaps the hon. Minister of Public Welfare (Mr. Cecile) could present his views to this House at a suitable time.

I believe he is conversant with the system, and I believe he views it with an approving eye.

I should like to commend the Ontario administration for what has been accomplished in providing low-rental housing for elderly people. Also, for assuming provincially one-half of all costs related to municipal homes for the aged. This measure has worked a revolution in the improvement of this fine facility.

I should like especially to commend the hon. the Minister of Public Welfare

on his efficient and humane organization. The expenditures of this department, founded by a Conservative government, amount to \$30 million a year. They affect the lives of thousands of our people, young and old. I have yet to hear any serious word of complaint against the hon. Minister or the fine body of public servants — especially Mr. James Band — with whom he has surrounded himself.

In conclusion, may I congratulate the hon. Prime Minister on his fine record of accomplishment in the interests of all the people of this great province. No public servant ever enjoyed greater esteem in the minds of our people. His vision, courage, and leadership continue to be an inspiration in this great period of history through which we are now passing.

Mr. D. J. Rankin (Frontenac-Ad-dington) moves the adjournment of the debate.

Motion agreed to.

REPORT, TOLL ROADS COMMITTEE (*Continued*)

MR. J. ROOT (Wellington-Dufferin): Mr. Speaker, since this is the first time I have taken part in any of the debates during this session, I want to pay my respects to you, and to compliment you on the way you have discharged your responsibilities. You have been fair and impartial, and I know you have the confidence of every hon. member of the House.

With respect to the committee on toll roads, I would like to tell the hon. members of the House that, in the person of the hon. member for London North (Mr. Robarts), we had a very capable and efficient chairman. He is a credit to this Legislature. He was courteous to all of the various groups who appeared before the committee, and gave every hon. member of the committee ample opportunity to question the witnesses and discuss all phases

of the report when we were preparing it.

If we were crowded for time in the final preparation of the report, it was due to our hon. chairman perhaps bending over backwards to give every hon. member an opportunity to express his opinion.

May I say, without regard to political affiliation, that it was a privilege for me to serve with every hon. member of the committee. I think that every hon. member approached with sincerity the problem of finding ways and means of financing an accelerated highway programme.

We approached the problem from different angles, that is true. Some of us represented large metropolitan areas, other hon. members on the committee represented areas that were partly rural, and still others represented areas that were mainly rural.

We had hon. members who represented areas served by various means of transportation, such as railways, waterways, airways and super-highways. We had other hon. members on the committee who represented areas that, because they are in the main rural, lack many of the competitive means of transportation.

We approached the problem from these various angles, and I may say I have nothing but the highest regard for the sincerity with which each hon. member of the committee approached that problem and made his contribution toward the report on toll roads and highway financing.

I would like to say a word about our secretary, Mr. Don Collins. This is the second committee on which I have had the privilege of working along with Mr. Collins, and I want to say that Ontario is to be congratulated on the type of men in its civil service.

I want to say the same with regard to those who travelled with us and give to us the benefit of their knowledge and experience. These men include Mr. Walter Macnee, Mr. Ronald Cook, Mr.

Fulton — now Deputy Minister, Mr. Philip Wade, Mr. George Gathercole, and Mr. P. T. Clark. Every one gave freely of his opinions and gave them without bias. They told us what they thought was the proper procedure for the province of Ontario.

There is no suggestion that any one of the civil servants who worked with us tried to form the opinion of the committee members.

With regard to the problem:

A year ago, we presented an interim report. This report indicated that Ontario was faced with a great backlog of work on our King's highways and municipal roads. It indicated that the tax structure of the province was not overtaking the backlog that had been built up during the depression and war years; in fact it stated that we were losing ground, we were not collecting enough revenue to build the roads that were needed in order to overtake the backlog.

The committee members were of the opinion, a year ago, that toll roads were a means of financing super-highways and structures where there was sufficient volume of traffic to make tolling feasible. Hon. members will find the section in our report, between pages 11 to 19, which will give them some idea of Ontario's problem and the conditions we will face unless we increase our highway budget and our building programme.

With the growing bulk of necessary construction and the rapid growth in vehicle registration, it is not hard to appreciate the fact that we must accelerate our highway building programme.

During the past year we visited the areas in Ontario where we thought there might be a possibility of financing roads and structures by the toll method. From northwestern Ontario to the Quebec border, and all along the route of highway No. 401 between Toronto and Hamilton and down into the Niagara peninsula, we listened to people who were asking for more and better roads. Areas that appeared to need early attention came to our notice.

If any area should be given priority, I think it is the area between Toronto and Kitchener. I think we found there the greatest clamour for roads.

The same condition of pressing demand for roads existed in the Fort Frances-Atikokan area, and from New-castle through to the Quebec border.

I believe all hon. members of the committee will agree that in those particular areas there seemed to be a great urgency for roads, and the people in those areas even expressed the opinion that they were willing to accept a toll on their roads if that toll would speed up the construction of the traffic arteries they felt they needed.

When we travelled along the Queen Elizabeth highway, and highway No. 400, it became apparent that we would run into great engineering and economic problems if we were to try to convert the existing roads into toll roads. People have established homes, businesses, and industries along a road that they had understood was free, and if we were to convert that road into a toll road and close off the accesses, it would be only natural to expect that they would want compensation or new arteries built.

With that in mind, we did not feel it was practical to recommend the tolling of the existing structures or highways.

If we eliminate the existing and the partially constructed highways—because let us not forget that highway No. 401 is partly constructed—there would not be too many facilities or areas left in which we could apply the toll principle at the present time.

Hon. members will find our recommendations regarding toll facilities between pages 29 and 36 of the report. We feel that a feasibility report should be obtained on any project when the preliminary survey shows a potential of at least 5,000 motor vehicles per day.

We could not, as a committee, feel that the province was justified in going ahead and building these super-highways while we have a backlog which has

existed in many parts of the province for many years, without seeing if it was feasible to finance new projects by the toll method.

With that in mind, and with the studies that we have made, we think a survey should be made soon with regard to the feasibility of tolling a projected new highway between Toronto and Hamilton. There are other free highways in that area, for instance the Queen Elizabeth, and we had the feeling that perhaps there was enough through traffic that would be willing to pay a toll to make a toll project feasible in that area.

Then we suggested, and I think it is only reasonable, that surveys be made with respect to the feasibility of tolling the projected Burlington skyline. We understand that this project will cost somewhere in the neighbourhood of \$18 or \$20 million. The local councils were agreeable to the tolling of this project, and as a committee we could not see why other areas of the province should do without \$18 or \$20 million worth of highway and bridge construction in order to build this new structure, when there was already an existing paved highway and a bridge.

We had the same idea in mind with regard to the proposed new bridge over the canal at Welland. These structures would all be very costly, and as there will be alternative bridges and roads, we think that the department should consider the possibility of tolling these bridges, as well as a new highway between Toronto and Hamilton.

With regard to the Atikokan, or the Fort Frances causeway, I would be acting only fairly in telling hon. members of the Legislature, and the government, that the municipal people and the chambers of commerce were all agreeable to tolling the causeway if it would speed up the construction of the connecting link between Fort Frances and Atikokan.

Nobody wants tolls on bridges, roads or causeways for the sake of having tolls, but there are many realistic people in this province and they are fair, and

want certain projects, and are willing to help finance them by this method if it will speed up construction.

Personally, I feel that the north-western area is one that holds great possibilities for development, and if that road is built, it will mean a great deal to northwestern Ontario and indeed to the province as a whole, even if we do toll such a causeway. Hon. members should know that the responsible people in that area are willing to accept the toll, if such a method would speed up the construction of the road.

We feel that, with the great backlog of work facing the department, we are not justified in building these costly structures out of general revenue while the rest of the province awaits improvement to ordinary highways, municipal roads and bridges.

On page 32, hon. members will find a recommendation that the province might study the feasibility of recovering for The Department of Highways some of the financial benefits that accrue to businesses, such as service stations, restaurants, motels, and so on, that are developed along controlled and semi-controlled access highways.

In the United States, we found quite a percentage of the revenue from toll roads was derived from people who are permitted to establish this type of service along such controlled roads. These people enjoy an advantage, because the road brings the traffic to their doors, and people on the other side of the fence cannot touch that traffic.

The Legislature should keep in mind one of our recommendations—that all Ontario motorists should be given the opportunity to purchase an annual permit at a nominal fee for any toll facility in the province. We feel the commuter should have this option.

Turning now to the general lack of highway finances, there are 3 main sources of revenue that are used in Ontario to finance King's highways and municipal roads. We have, first, a tax on business or real estate. Then we have licence fees, and hon. members will find

those fees set out on page 11 of the report. We have a gasoline or fuel tax.

May I point out that the tax on property is used to pay a large percentage of the cost of municipal roads, while taxes collected from business constitute a smaller percentage of the highway budget. The licence fee in Ontario is graded to take care of the horse power, the weight and the various types of vehicles. The gasoline or fuel tax is used to collect revenue on the basis of the miles the vehicle travels.

In addition to these 3 main sources of revenue, we have the possibility of tolling a limited number of roads and structures. In the United States, we found that the federal government there is making great financial contributions to the road-building programme, but the committee could find no evidence that the Canadian government has accepted any great responsibility, in this regard, so we have been unable to look to Ottawa for assistance in the financing of our road programme.

The committee feels that it might be practicable to speed up our highway programme by financing with a reasonable bond issue, providing we increase the provincial revenue — this is to take care of the bond and service charges when they come due. A government is not getting anywhere if it floats a bond, and makes no provision for paying off the bond or interest charges. Therefore, we feel if a bond issue is to be floated, then revenue will have to be increased to take care of that issue.

When our committee was re-constituted on March 27, 1956, we were asked to look into the matter of the ton-mile charges on the heavy vehicles. Hon. members will find our terms of reference on page 7 of the report.

This form of taxation is a complicated third-structure tax that is applied to trucks in the heavier weights.

With its responsibility of studying various means of financing, the committee gathered the opinions of different jurisdictions and listened to individuals in the fields of taxation, economics and

administration. We listened to the arguments of municipal people and other groups and individuals, who claimed that property and business were being over-burdened with taxes in order to construct and maintain roads and streets which will serve the increasing load of motor traffic.

On the other side of the argument, we listened to the motor league and the transport people argue that, since business and real estate benefit from good roads and highways, it is not fair to allow the motor vehicle owner to carry the entire burden of building and maintaining our highway system.

It was pointed out that competing transportation systems have been subsidized from the public treasury. Transportation facilities such as railways, waterways and airways have received, and are receiving, very important assistance from the general revenue of the country in land grants and subsidies in various forms.

It was pointed out, and I think we should not forget this, that over-taxation of the motor vehicle could place some areas in our province at a great disadvantage. I am referring to areas where there is inadequate, or no competing means of, transportation. Those areas and many rural communities depend almost entirely on motor transport, and would be the first to suffer if passenger vehicles and trucks were over-taxed.

In any studies carried out by the department, we should keep in mind the problem that if we over-tax the motor transport industry in Ontario, while we find the federal government subsidizing the railways, waterways and airways, we may be putting the only means of transportation, over which we have any control, in an entirely unfavourable position, and the people who will suffer most will be those in the rural parts and in the hinterlands of this great province of ours.

With regards to tax responsibilities: the increased use of roads by motor vehicles, and the increasing weight of

trucks, would indicate that there should be consideration given to a tax system which would have motor vehicles paying a larger share of the cost of municipal roads. On a completely controlled-access highway, such as a toll facility, where business has little direct access, it is only reasonable that the motorist should pay a larger share of the costs than would be fair on a road to which business and property have direct access.

In our studies we found ready acceptance of the theory or principle that motor vehicles should be taxed on the basis of miles travelled, combined with the weight of the vehicle and its load. I think we can all accept the weight-distance principle as sound.

But one point which impressed me during our studies, particularly in the United States, is the fact that there is no unanimity regarding the application of the weight-distance method for motor taxation.

We found that many jurisdictions in the United States had tried to apply the principle on the ton-mile basis. This is a system by which a record is kept by the trucker regarding the weight of each load and the miles the vehicle is driven.

This system creates great problems for both the trucking industry and the government. The trucking industry found that on some trips the weight might change every few miles. A truck might start out with a capacity load, travel to the next town and take off 2 or 3 tons, and this means the tax structure would change all along the route.

This system led to a great deal of evasion, and a feeling in the trucking industry that some were being taxed while others evaded the tax. The government, in its efforts to collect the tax, found that this method added up to a high administration cost.

The result has been that 11 states have repealed the ton-mile legislation, and have returned to the principle of averaging the weight which might be on a truck. They have done that for simplicity of administration.

I might say that in the United States this third-structure tax system was developed largely because they have a condition which does not exist, in the main, in Ontario. Many of their states are small, and they found that heavy trucks were driving over their highways without purchasing any fuel, or a licence.

With a third-structure tax they issue a very nominal licence, and by this third-structure tax they collect fees, based on a system of averaging, from all the trucks using the road.

This third-structure tax is called the weight-distance tax—the system was developed to secure revenue, as mentioned, from trucks passing through the state, and to try to collect revenue from all trucks on the average load they might be hauling.

This system, too, is subject to evasion and high administration costs, since the trucker must keep a record of the miles driven and, at the best, it is just one system of averaging the weight carried on the vehicle.

I might further point out that one problem which could develop with the weight-distance tax is the fact that the vehicles are licenced by the gross weight of the trucks, and taxed on that basis, regardless of what is on the truck. It is true that some adjustments are made. It is presumed that the truck is loaded to 60 per cent. of its capacity, in some states.

But I think hon. members of the House will realize the problems which arise in relation to some industries. For instance, in the petroleum industry, loaded trucks are travelling one way, and they return empty.

Then there are the livestock trucks, for instance. They would be licenced for a load which would be cattle. The next day they might be hauling a load of hogs, and on the same floor space there would be two-thirds the weight. The trucker might have a load of lambs, and the weight would, of course, be less than half.

Therefore, it is very difficult to set up an entirely equitable system on the weight-distance principle.

It is the same in the case of the cartage business. One day the trucker might be drawing canned goods, which would be a maximum load. The next day he might be hauling potato chips or cereals, which would be much lighter, but the tax would be the same on both loads.

At best, the weight-distance tax is a system of averaging.

In Ohio, they have tried to apply the weight-distance principle by an axle-mile tax; and again we have the principle of averaging. They presume that since the truck is allowed to carry a fixed weight per axle, they can strike an average load that the vehicle will carry by merely counting the axles. This system, like any third-structure system, is subject to evasion, as the trucker keeps the record of his miles.

We found that other state governments were trying to apply the weight-distance principle by what is called a graduated fuel tax. The whole principle of the weight-distance tax—of any third-structure tax—is to try to correct the inequity which, some people allege, starts to develop after a truck gets over about 9 tons in weight. From there on, they claim that the heavier the vehicle, the less tax is paid on a fuel tax per mile.

In the graduated fuel tax, the tax is based on the purchase of fuel. It will be a system of averaging, but there is a feeling that since fuel consumption bears some relation to the weight of the load on the vehicle, the fuel tax might come closer to a fair system of averaging than the fixed weight-distance or axle-mile tax.

This system of taxation is being tried in some of the states at the present time, and I think it is worthy of investigation by anyone making a study of a third-structure tax.

In California, they have what they call a gross receipts tax. We did not go into that tax because there is some doubt that

this province would have the constitutional right to impose such a tax.

There is another method which is used in collecting revenue on the weight-distance principle. This method is a combination of the fuel tax and the adjustable licence fee. The fuel tax takes care of the mileage, when the vehicles are in the same weight bracket. The adjusted licence fee takes care of different weight brackets, on an averaging basis, and it can be adjusted to take care of any inequity which exists when the fuel tax favours a particular group of vehicles.

This, in fact, is the method we are using in Ontario at the present time. Hon. members of the House will find the application of the weight-distance principle in the schedule of fees which is shown on the charts on pages 2 and 3 of the appendix attached to the report.

To give the House some idea of that, I am going to point out one or two of the fees. For instance, on a vehicle that carries a gross weight of 2 tons, the licence is \$10.50—or, in other words, the licence is applied at the rate of \$5.25 per ton. That increases as the licence becomes heavier—according to the increase of the weight of the vehicle. In the 5- to 6-ton bracket, we find the licence per ton goes up from \$5.25 to \$13.60 per ton.

When we get up to 12 tons, we find the licence has gone up to \$19.82 per ton, and when we get up to 18 or 19 tons, the licence per ton is advanced to \$26.42.

I just point this out to show that the system of collecting revenue is on the weight-distance principle, as applied in Ontario at the present time.

I am not suggesting, when I mention these figures, that there is no need of adjustment, but it is a system which can be applied—one of the systems which can be used—to collect revenue on the weight-distance principle.

It would appear to the committee that, by a combination of fuel tax and a progressive increase in licence tax to take care of weight-groups, and to overcome any inequity that would develop with

We recommend that 3 approaches weight-distance principle with, I think, a two-tax structure which is simple to administer.

Such a tax is difficult to avoid, and does not require the setting up of additional staff to implement a third-structure tax which, all of the evidence shows, is subject to evasion and comparatively high cost of administration. Let us not forget that, outside of the ton-mile tax, all of these third-structure taxes are based on the averaging principle.

The committee found that, with the depreciated purchasing power of our dollar, our whole tax structure for the purpose of building and maintaining our highway system needs adjusting.

For instance, we found that the average car travels 8,000 miles per year, and can travel that many miles for a total tax of \$58.

It was pointed out to hon. members that this is the smallest item in the cost of operating a vehicle, but it provides the vehicle with 82,275 miles of highways and roads in Ontario plus the use of all the highways and roads in Canada and the United States.

With regard to the gasoline tax, an increase of one cent per gallon on the tax on gasoline would increase the operating cost less than one per cent. Yet it would bring \$10 million into the province. Hon. members will find the figures on page 44 of our report. This was drawn to our attention by a tax expert from the United States when the opinion was expressed that the motorist was being over-taxed to build roads for the heavier vehicles.

It gave us quite a jolt when we realized that the motorist has the use of all these roads, for this small tax fee, and yet he will take a \$400 or \$500 depreciation on a car in a year. He will pay twice the amount for insurance that he pays in tax.

Many other interesting figures will be found on page 44 of our report.

With regard to our recommendations, these are based on our belief that our highway and road building programme

must be accelerated to take care of an increasing traffic volume. It must be accelerated to provide for the increased registration that we see projected in the years that lie ahead.

We also feel that, to take care of part of the burden, fuel tax should be brought in line with our needs and the depreciated value of our dollar. Nobody likes to see a tax advance, but nobody likes to see our dollar depreciating in value, and that has happened. If we are going to build roads, we are going to build them in the light of the dollar we have to spend, and our tax rate will need to have some proximity to the depreciated value.

The committee recommends that the weight-distance principle of taxation be put into effect, but we feel that since the ton-mile tax is being discarded in many jurisdictions, we will have to find the answer in a system of averages.

To apply the weight-distance principle, we have made several recommendations. We have recommended that all trucks, private and public commercial vehicles, be taxed on the basis of weight, and that the public commercial vehicle licence be adjusted to take care of administration costs only.

We know that many of the private carriers are operating at full capacity more than others. We can think of the brewing and petroleum industries which have liquid loads, and many of the great corporations which have great fleets of trucks. These are carrying just as much weight and drive just as many miles as public commercial vehicles, and we think for revenue purposes that the same licence tax should be applied to all trucks on the weight-distance principle.

We have made another suggestion. We have found that all the highway user tax fees are collected on the basis of "paying as you drive", so we have recommended that the licence fee, particularly on the heavy vehicles, should be sold on the basis of instalment payments. We think perhaps the licence on a truck might be paid in perhaps 4 instalments.

We recommend that all vehicles including passenger cars be licenced on a basis of weight rather than on the horse power system alone.

We find the situation where cars of the same weight are subject to different licence fees. We find people who are able to afford a Cadillac paying the same licence fee as a man who can afford to drive only a Ford. Yet, since we have put a speed limit on our highways, the extra horse power has not been of too much value. We think it would be only fair that our whole licencing system be reviewed and brought into line with the weight-distance principle.

We recommend that fuel tax on fuels other than gasoline be brought into line with the weight-distance principle.

We also recommend that 3 approaches be studied with regard to applying the weight-distance principle to heavy trucks:

First, there should be a combination of fuel tax and adjusted licence fees.

We put that in first place because as we have said in our report it is fool-proof, it is simple to administer, and the least subject to evasion of any of the methods that we studied. Moreover, the cost of administration is perhaps the lowest of any methods we have studied.

In the second place, we suggested a graduated fuel tax because, as I have said before, fuel does bear some relation to the weight of the load of the vehicle.

In the third place, we put the weight-distance tax.

We have recommended that all of these forms of applying the weight-distance principle should be studied. Why do we need these studies? I say we need them because there is the alleged inequity on fuel consumption between a light and heavy vehicle, along with the assumption that a heavier vehicle does more damage to the road than a light one.

We think that whole matter is one for study, to find out how much of the extra cost we build into our fine high-

ways is necessary, due to the weight of the vehicle, how much goes in for all of the vehicles, and how much is necessary because of climatic conditions. We feel that is one good reason why we need studies.

There is apparently an inequity, with the heavier vehicles, with regard to fuel consumption.

I should point out, and it was mentioned in our committee, that there are other inequities which people do not discuss as much as they do the inequity on fuel.

We have the inequity when we find that a light vehicle pays, on the average, approximately \$13 for 17 feet of space on the highway, or at the rate of 76.5 cents per foot. On the same highway a heavy truck with its maximum length would pay up to \$502, and if it were drawing a trailer and had a public commercial vehicle licence, the licence could run up to as high as \$1,000 for 50 feet of space on the highway.

In other words, a light vehicle owner buys his space on the highway for 76.5 cents a foot, while the heavy vehicle owner pays anywhere from \$10 to \$20 per foot.

Then, we have another inequity, the fact that the light vehicle, with its \$13 licence — and I am using that figure because that is the average figure for all of our light cars in Ontario — has the use of every street and road in the province, while the heavy truck with a full licence is completely barred on many streets, and is cut to half-loads during two months of the year on all but the highest grade highways. The heavy truck is restricted without regard to registered weight on all class B roads, or on the majority of our roads, as well as being restricted on many other roads with light bridges.

Another inequity is the fact that the light vehicle has the use of our roads and streets 365 days a year, while the truck is off the road one day in every 7.

I am not suggesting that we want to have trucks on our roads on the Sabbath day, but there is an inequity there which does not exist in some of the states across the border.

I could point out that there is still another inequity: the motor car with a \$13 licence carries its weight on 4 tires, and these tires are inflated to a pressure ranging from 25 to 30 pounds. In other words, they are applying 25 to 30 pounds of weight to the road per inch.

The heavy truck, with approximately a \$1,000 licence, may be carrying its weight on 18 tires carrying 50 to 80 pounds of pressure. For a \$1,000 licence fee, it is able to apply 50 to 80 pounds of pressure per inch, while the lighter vehicle, for a \$13 licence, applies 25 to 30 pounds pressure per inch.

These are some of the reasons why we feel careful study should be made to decide what is the fair share of tax for every class of vehicle. I realize that some people try to make political capital, or promote their own interest, by making appeals to prejudice. They try to build up prejudice by telling part of the story or a little less than the truth. We need careful study in all phases of cost responsibilities, not hasty conclusions based on appeals to prejudice.

I want to make some reference here, and I hate to do this, but the fact is that the hon. member for York South (Mr. MacDonald) has refused to sign this report, and that was his right. I never expected that he would do so after the statement he made in this House a year ago. He apparently refused to sign because we did not recommend the application of the third - structure weight-distance tax which he asked for a year ago.

The hon. member knows, because he was with us in our committee, that we have no studies completed in Ontario that would justify setting up the necessary administrative machinery, for collecting this third-structure tax.

The hon. member also knows that in Ontario we have a scattered population, and great spaces, and that these factors,

along with climatic conditions, create an entirely different situation from the one which led some of the states of the union to set up a third-structure tax in different forms.

The hon. member for York South knows that there is no unanimity in the United States regarding the application of the weight-distance principle. He knows we have no basis of setting up the fees that would be collected under a costly third-structure tax system.

I think that the hon. member for York South knows and realizes that he is following prejudice rather than reason when he calls for a third-structure weight-distance tax, without proper studies which will determine the taxes that should be paid by various classes and weights of vehicles.

I was surprised to hear the appeal that he made the other day, when he lifted a section of the report he refused to sign, from its contents. If he believed in what he said, he should have signed the report and then told the House that, when he said 90 per cent. of the increase of gas tax will be borne by the car owner, he was quoting from an American source, not from any information regarding the situation in Ontario.

These remarks will be found on page 708 of *Hansard*, February 28th.

The hon. member knows that our report shows, on page 13, that we licenced 1,692,400 vehicles. On page 50 of our report, we find that there are only 34,295 trucks licenced which might be subjected to a third-structure tax.

The other day I listened to the hon. member for Oshawa (Mr. T. D. Thomas) and the hon. member for Kenora (Mr. Wren) suggest that we should put the box cars off the highway. I realize that we can do that, and I realize that we can put all of the trucks off the highway.

But, I think we should tell the people that when we put all the trucks off the highway—and this is a matter of highway finance—we would get rid of only 17 per cent. of the vehicles that are on our highways, but that we would lose 50

per cent. of the registration fees that we collect in the province. We would lose approximately 39.5 per cent. of the gas tax that we collect in the province.

In other words, if we put all the trucks off the highways, and I realize we can do that, we would lose 45 per cent. of our revenue and would eliminate only 17 per cent. of the vehicles now on the road.

If we ever did anything like that, we would turn the rural Ontario back to the horse and buggy days. I think the people should realize that, when these appeals are made to prejudice, we can do these things if we are willing to pay.

I am not too sure that the average motorist would want to pay double the licence fee on his car, and I am not too sure that the average motorist would want to pay another 10 cents a gallon gas tax, which is what we would lose if all the trucks were put off.

But to get back to the group that come in the weight-distance field when we talk about applying the third-structure tax—

MR. F. R. OLIVER (Leader of the Opposition): Is the hon. member suggesting that somebody said that all the trucks should be put off the road?

MR. ROOT: I am saying we could do that, but we would eliminate nearly half our revenue.

But I want to get back to what we call the heavy truck, the type we consider in the matter of weight-distance tax. I was just coming to that point before the interruption.

We could put the box cars off the highway, we could put the heavy trucks off the highway, and we would eliminate only 2 per cent. of the vehicles. Yet we would lose almost 14 per cent. of our gas tax and nearly 20 per cent. of our licence fees.

I am not suggesting whether the trucks are too large, too heavy or too light, but I am just pointing out that it is an easy matter to make appeals to prejudice, and that goes either way. That

is the reason why our committee has suggested that we need careful study on the whole matter of taxing and collecting revenue.

There is no doubt in my mind that the heavier the vehicle, the more strain goes on a bridge, but how much extra strain goes on a road? I am not sure, and no one knows until the studies are complete. That is the reason why the committee recommends that all of the various forms of taxation should be studied, and studied carefully, without any thought of appeals to prejudice, because the day may come when we may have to apply any one of the methods of taxation that have been suggested.

We have heard speakers suggest that the day may come when we may be using atomic fuel in our motor vehicles. That is quite possible. We are also told the day will come when we will fly to the moon.

However, I think it is necessary that we make studies of all these various methods of taxation, so that we are ready if the time comes when our fuel changes, and we change from petroleum to some other type of fuel, then we will have the information ready to apply a proper tax structure.

At the present time, we feel that the weight-distance principle can be applied through a combination of fuel tax and adjusted licence fees. I personally feel that the adjusted licence fee can take care of inequities that cannot be taken care of by some other method of taxation. In fact, if one is using another method of taxation, I think he would have to adjust the licence fee to arrive at a point of equity.

Now, I want to make some suggestions to the department which are not contained in the report. I mentioned them near the end of our discussions, and we did not have time to go into the complete study, but this should be studied, because this method is being adopted in some of the states of the union.

The suggestion I want to make to the department is that they might consider

establishing, first, a basic licence fee for different weight and mileage groups.

Secondly, that if they have established the basic fee, then consideration should be given to adjusting the fee up or down, on a percentage basis, for fringe groups which may be operating in areas where fuel consumption is below the average or above the average, thus affecting the revenue paid through fuel tax.

Along this line I think there are farm owned trucks operating practically all of the time on low-grade roads, with a high fuel tax per mile. These trucks might be given a special letter on their licence, perhaps "R", which would identify the truck, if operating out of its rural area. This licence would be in a lower price bracket than the commercial licence.

Then I can think of the truck that is operating on low-grade roads in the bush areas in northern Ontario, with a high fuel tax per mile. They might use the letter "B", which would identify the truck operating out of this area, and they might have a downward adjustment on a percentage basis.

Another group which I can think of which has perhaps a low mileage and a high fuel tax per mile would be the cartage truck in a large urban centre. These might use the letter "U", and perhaps pay a lighter licence fee due to the fact that they are paying a higher fuel tax.

Then, on the other side of the picture we would have the truck that operates on the main or high standard highways with a low fuel consumption, thereby paying a low fuel tax. They might use the letter "H" and pay a higher licence fee.

This could be worked out on a percentage basis after test studies were made.

I realize that a great bulk of our trucks would still operate on the general rate structure that we now call the commercial licence. But this suggestion, if it is practical, would take care of

some of the inequities that develop where we have, under the fuel tax, trucks paying the highest tax operating on the lowest type of road.

I might say for the information of the hon. members of the House that this principle has been adopted in Kansas, where the ton-mile tax has been repealed after years of trying to make it work. This principle of recognizing different operating costs on various types of roads has been recognized by our own Hydro, in the payment of car mileage. Hon. members will find the operating cost is much higher in northern Ontario than in southern Ontario.

Mr. Speaker, in conclusion, let me again say that it was a pleasant experience to work with every hon. member of our committee, and I say that without any reservation. In our study we have gathered a mass of information. We are turning this information and our recommendations over to the Legislature and to the government, and we conclude our task, as a committee, confident that from our studies will come action and legislation that will benefit the people and further the development of our great province of Ontario.

MR. J. YAREMKO (Bellwoods): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I move you do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole, Mr. C. E. Janes in the chair.

HON. MR. FROST: Mr. Chairman, I beg to inform the House that the Honourable the Lieutenant-Governor, having been informed of the subject matters of the proposed resolutions, recommends them to the consideration of the House.

CLERK OF THE HOUSE:
Resolution by hon. J. N. Allan:
Resolved that:

the hon. Provincial Treasurer of Ontario may pay out of the consolidated revenue fund to any person any sum to which he is entitled as compensation, damages or costs,

as provided by Bill No. 69, The Highway Improvement Act, 1957.

Resolution concurred in.

CLERK OF THE HOUSE:
Resolution by hon. D. Porter: *Resolved that:*

every corporation as defined in The Corporations Tax Act, 1957, shall every fiscal year pay to her Majesty for the use of Ontario the taxes imposed,

as provided by Bill No. 111, The Corporations Tax Act, 1957.

Resolution concurred in.

CLERK OF THE HOUSE:
Resolution by hon. P. T. Kelly: *Resolved that:*

every mine, the annual profits of which exceed \$10,000, shall be liable for and the owner, manager, holder, lessee, tenant, occupier and operator of the same shall pay an annual tax of 11 per cent. on the excess of annual profits above \$1 million and up to \$5 million, and 12 per cent. on the excess of annual profits above \$5 million,

as provided by Bill No. 119, An Act to amend The Mining Tax Act.

Resolution concurred in.

CLERK OF THE HOUSE:
Resolution by hon. W. A. Goodfellow: *Resolved that:*

the Lieutenant-Governor in Council may authorize the hon. Provincial Treasurer of Ontario to pay out of the consolidated revenue fund money to purchase any debentures, bills or

notes of the corporation and to make advances to the corporation in such amounts, at such times and on such terms and conditions as the Lieutenant-Governor in Council may deem expedient,

as provided by Bill No. 129, An Act to amend The Junior Farmer Establishment Act, 1952.

Resolution concurred in.

VILLAGE OF FOREST HILL

House in committee on Bill No. 8, An Act respecting the village of Forest Hill.

On section 1:

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, I move the deletion of section 1 from this bill, and I think that the hon. member for Woodbine (Mr. Fishleigh) will concur in this. I have discussed this matter with him.

The reason for this is that, under The Registry Act, the section stands in pretty much the same wording as far as section 1 is concerned, except at the end of subsection (1) of that section the words "by such person" have been added.

That, of course, would place an interpretation in relation to the municipality of Forest Hill different from the general provisions as they apply under The Registry Act.

It is not possible for a municipality to obtain a provision such as this by any by-law action of its own, in fact it is quite contrary to section 390 of The Municipal Act. The only way we could get this provision would be to ask for a private bill.

Last year, the representatives of the village, with others, endeavoured to have the general Act amended, and they were not successful at that time in having this done. This year when they have come before the House with this private bill, the council has not put

the question to its own electorate to determine the view of the people on the subject.

That particular point not having been even determined by the electorate, it is my view that this section ought not to stand. I discussed the matter at some considerable length with the representatives of Forest Hill and others, including the sponsor of the bill, and I now formally move that the section be deleted, at least certainly until such time as there is an expression of opinion on the subject by the people themselves, a small percentage of whom at least will be very vitally affected.

Motion agreed to.

Section 1, formerly section 2, agreed to.

Section 2, formerly section 3, agreed to.

Section 3, formerly section 4, agreed to.

Preamble agreed to.

Bill No. 8 reported.

CITY OF SAULT STE. MARIE

House in committee on Bill No. 36, An Act respecting the city of Sault Ste. Marie.

Sections 1 to 26, inclusive, agreed to.

Preamble agreed to.

Bill No. 36 reported.

TOWNSHIP OF CROWLAND

House in committee on Bill No. 9, An Act respecting the township of Crowland.

Sections 1 to 4, inclusive, agreed to.

Preamble agreed to.

Bill No. 9 reported.

CITY OF WINDSOR

House in committee on Bill No. 31, An Act respecting the city of Windsor.

Sections 1 to 8, inclusive, agreed to.

Schedules A to C, inclusive, agreed to.
 Preamble agreed to.
 Bill No. 31 reported.

TOWN OF FORT FRANCES

House in committee on Bill No. 38,
 An Act respecting the town of Fort
 Frances.

Sections 1 to 3, inclusive, agreed to.
 Preamble agreed to.
 Bill No. 38 reported.

ERIN UNION CHURCH

House in committee on Bill No. 4,
 An Act respecting the Erin Fifth Line
 Union Church in the township of Erin.

Sections 1 to 5, inclusive, agreed to.
 Preamble agreed to.
 Bill No. 4 reported.

UNITED CHURCH OF CANADA

House in committee on Bill No. 7,
 An Act respecting The United Church
 of Canada.

Sections 1 to 3, inclusive, agreed to.
 Preamble agreed to.
 Bill No. 7 reported.

HAMILTON HEALTH ASSOCIATION

House in committee on Bill No. 16,
 An Act respecting the Hamilton Health
 Association.

Sections 1 to 3, inclusive, agreed to.
 Preamble agreed to.
 Bill No. 16 reported.

CITY OF LONDON

House in committee on Bill No. 23,
 An Act respecting the city of London.

Sections 1 to 8, inclusive, agreed to.

Preamble agreed to.
 Schedule agreed to.
 Bill No. 23 reported.

CITY OF ST. THOMAS

House in committee on Bill No. 29,
 An Act respecting the city of St.
 Thomas.

Sections 1 to 5, inclusive, agreed to.
 Preamble agreed to.
 Bill No. 29 reported.

CITY OF HAMILTON

House in committee on Bill No. 27,
 An Act respecting the city of Hamilton.

HON. W. K. WARRENDER
 (Minister of Municipal Affairs): May
 I interrupt for a moment? We are
 considering an amendment to one of
 the sections of this bill. May I ask that
 it be held over.

THE PUBLIC HEALTH ACT

House in committee on Bill No. 62,
 An Act to amend The Public Health
 Act.

Sections 1 to 9, inclusive, agreed to.
 Preamble agreed to.
 Bill No. 62 reported.

THE SEPARATE SCHOOLS ACT

House in committee on Bill No. 87,
 An Act to amend The Separate Schools
 Act.

Sections 1 to 4, inclusive, agreed to.
 Bill No. 87 reported.

THE TEACHERS' SUPERANNUATION ACT

House in committee on Bill No. 99,
 An Act to amend The Teachers' Super-
 annuation Act.

Sections 1 and 2 agreed to.
 Bill No. 99 reported.

LANDS PLEDGED FOR PURPOSES OF BAIL

House in committee on Bill No. 51,
An Act to protect the interest of the
Crown in lands pledged for purposes of
bail.

HON. L. M. FROST (Prime Minister) : I think we will hold that. The hon. Attorney-General (Mr. Roberts) is not present.

DEPARTMENT OF HIGHWAYS

House in committee on Bill No. 67,
An Act respecting The Department of
Highways.

Sections 1 to 8, inclusive, agreed to.
Bill No. 67 reported.

THE HIGHWAY IMPROVEMENT ACT, 1957

House in committee on Bill No. 69,
The Highway Improvement Act, 1957.

MR. OLIVER : I would ask that
that bill be left over.

HON. MR. FROST : I would be
glad to hold that one. It is a question
of reducing the size of the order paper
a bit and taking some of these which
are not contentious.

MR. MacDONALD : The hon. Prime
Minister could take one contentious
thing just to liven things up.

THE PUBLIC LANDS ACT

House in committee on Bill No. 116,
An Act to amend The Public Lands Act.

Section 1 to 10, inclusive, agreed to.
Schedule agreed to.
Bill No. 116 reported.

THE SURVEYS ACT

House in committee on Bill No. 117,
An Act to amend The Surveys Act.

Sections 1 to 4, inclusive, agreed to.
Bill No. 117 reported.

Hon. Mr. Frost moves that the com-
mittee rise and report one bill with
amendment, certain bills without amend-
ment and certain resolutions.

Motion agreed to.

MR. JANES : Mr. Speaker, the com-
mittee of the whole House begs to report
certain resolutions, certain bills without
amendment and one bill with amend-
ment, and begs leave to sit again.

Motion agreed to.

The House resumed ; Mr. Speaker in
the chair.

HON. MR. FROST : Mr. Speaker,
I received a very disquieting note here
a moment ago to the effect that the Irish
are up in arms over the Legislature's
failure to note appropriately St. Pat-
rick's Day, the 17th of March, and that
millions of votes are going down the
drain.

This note is signed by Whelan, Ma-
honey, O'Herlihy and others who would
wish they were of like racial origin ; and
I see, further, something which seems
to me like one of the verses of
McNamara's band.

So at this time, on the 15th day of
March, so that the matter may not be
overlooked, I certainly recognize the 17th
of March and all the Irish people who
are here.

Mr. Speaker, in moving the adjourn-
ment of the House may I say that on
Monday I would like to proceed with
the estimates for The Department of
Lands and Forests or The Department
of Mines. I have no ulterior motives. I
say that to the hon. members of the
opposition.

The point is that I did have The
Department of Mines on the list, and it
may be that there are matters standing

there; so if the hon. members opposite will give me the option of either one of these departments on Monday I would be obliged. Perhaps I can leave it in that way. There are also the debates that we have been engaging in; the various debates may be called.

There will be no night session on Monday.

I move the adjournment of the House.

Motion agreed to.

The House adjourned at 4.15 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, March 18, 1957
Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Monday, March 18, 1957

Final report, standing committee on labour, Mr. Morningstar.....	1191
Estimates, Department of Mines, Mr. Kelly.....	1192
Erin Fifth Line Union Church, bill respecting, third reading.....	1205
United Church of Canada, bill respecting, third reading.....	1205
Village of Forest Hill, bill respecting, third reading.....	1205
Township of Crowland, bill respecting, third reading.....	1205
Hamilton Health Association, bill respecting, third reading.....	1205
City of London, bill respecting, third reading.....	1205
City of St. Thomas, bill respecting, third reading.....	1205
City of Windsor, bill respecting, third reading.....	1205
City of Sault Ste. Marie, bill respecting, third reading.....	1205
Town of Fort Frances, bill respecting, third reading.....	1205
Public Health Act, bill to amend, third reading.....	1205
Department of Highways, bill respecting, third reading.....	1205
Separate Schools Act, bill to amend, third reading.....	1205
Teachers' Superannuation Act, bill to amend, third reading.....	1205
Public Lands Act, bill to amend, third reading.....	1205
Surveys Act, bill to amend, third reading.....	1205
Mining Act, bill to amend, Mr. Kelly, second reading.....	1205
Motor Vehicle Fuel Tax Act, bill to amend, held.....	1212
Report, toll roads committee, continued, Mr. Yaremko, Mr. Auld.....	1212
Motion to adjourn debate, Mr. Gordon, agreed to.....	1227
Resumption of the debate on the speech from the Throne, Mr. Rankin, Mr. T. D. Thomas.....	1227
Motion to adjourn debate, Mr. Cecile, agreed to.....	1234
Municipal Drainage Act, bill to amend, Mr. Kelly, second reading.....	1234
Assessment Act, bill to amend, Mr. Kelly, second reading.....	1234
Mining Act, bill to amend, Mr. Kelly, second reading.....	1234
Motion to adjourn, Mr. Frost, agreed to.....	1235

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

MONDAY, MARCH 18, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. E. P. MORNINGSTAR: Mr. Speaker, I beg leave to present the second and final report of the standing committee on labour and move its adoption.

CLERK OF THE HOUSE: Mr. Morningstar presents the second and final report of the standing committee on labour:

Your committee begs to report the following bill with certain amendments:

Bill No. 139, An Act to amend The Factory, Shop and Office Building Act.

Your committee begs to report the following bill without amendment:

Bill No. 141, An Act to amend The Operating Engineers Act, 1953.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

MR. J. A. MALONEY (Renfrew South): Mr. Speaker, before the orders of the day, I would like to bring to the

attention of the House that while yesterday was actually the feast day of St. Patrick, today is the day upon which it is being celebrated in Ireland.

HON. DANA PORTER: Mr. Speaker, the hon. member is out of order.

MR. MALONEY: This would not be the first time an Irishman was out of order. I say this with profound respect for the rules of this House, but I feel it is high time that, on a feast day such as the day of St. Patrick, the House rules should be abrogated to the hon. members who are of Irish extraction, so that we can give voice to our Irish sentiments by permitting us to break into Irish song occasionally.

There is a precedent for it in the federal parliament at Ottawa, and while there are not many things I would like to emulate emanating from Ottawa, that is one practice I think we should take advantage of, and that is not to be too serious, and from time to time to permit those who are in good voice to give vent to the feelings which are within them, by bursting into song.

The hon. member for Niagara Falls (Mr. Jolley) tells me that if permitted he would be quite willing to lead this House in a very well-known Irish song. I bring your attention to that, Mr. Speaker, and if it cannot be done on this occasion, I suggest that serious consideration should be given to amending the rules permitting it to be done in the future.

MR. SPEAKER: We will take it under consideration.

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, following the hon. member for Renfrew South, I would draw the attention of the House to the fact that I am the recipient this year of a lovely pot of shamrocks from the riding of St. Patrick, and I see there is a pipe stuck in them for good luck.

I have, on many occasions in the past, made reference to this great day, and I regret the hon. Minister of Labour (Mr. Daley) is not present because he is usually able to tell a very good story on this occasion, but suffice to say that with the Lord Mayor of Dublin in Boston today, I would not attempt to take anything away from his glory, and that of Irishmen everywhere.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I am very happy to join the hon. members who are of Irish descent; I am quite sure St. Patrick was a very great figure. But, according to the legend, I want to remind the House, so it can be on the record, that St. Patrick was captured on the coast of Wales and is really a Welshman. I can assure the House it is a very great pleasure in joining to pay tribute to St. Patrick, the patron Saint of Ireland, who was also a very great Welshman.

MR. J. ROOT (Wellington-Dufferin): Mr. Speaker, while all the Irishmen in the House are in a friendly frame of mind, I would like to extend an invitation to visit the only township of Erin, and that is in my riding.

MR. SPEAKER: Orders of the day.

The House upon order resolved itself into committee of supply.

ESTIMATES, THE DEPARTMENT OF MINES

HON. P. T. KELLY (Minister of Mines): The formal presentation of my

estimates for approval becomes a comparatively pleasant duty when it is possible to give so bright a picture of growth and development as is shown by the mining industry of Ontario, and by The Department of Mines, for which I have the honour to speak in this House.

From the point of view of production alone, the growth of Ontario's mining industry since the beginning of the century has been truly staggering. In 1900, the total output of all of Ontario's mines was a mere \$10 million. Last year, just 56 years later, our mines produced more than \$640 million in new wealth.

At that, last year's all-time record production figure is just a preliminary estimate, and it will almost certainly be increased to more than \$650 million when complete returns are in. If we go back only 10 years, the total production in 1946 was about \$190 million, so we see in that time an increase of more than \$450 million.

Nor is the actual dollar value of production our only yardstick of progress. Never has this province seen anything to compare with the development activity that has marked the mining industry during the last few years.

During 1956 alone, we saw 5 new mines start operations. These were: International Minerals and Chemical Corporation (Canada) Limited, producing nepheline syenite; Metro Asbestos Processors, Limited, in the Porcupine district; Bicroft Uranium Mines, Limited, in Eastern Ontario; and the two mines of Algorn Uranium Mines in the Blind River area.

International Nickel Company also began production of high-grade iron ore from its new plant at Copper Cliff. A neighbour of International Minerals and Chemical Corporation, American Nepheline, Limited, also opened a new and much larger plant than it had previously used at Nipigon, for the production of nepheline syenite.

I have mentioned only the major mining operations which came into pro-

duction during 1956. Associated with them, and having an important part in Ontario's production total, are all the quarries, sand and gravel pits and clay pits, of which about 435 were in operation last year.

There was a great increase in this activity also during the year. Three very large quarries were opened up to provide materials for the St. Lawrence seaway project. The Burlington skyway, being built by The Department of Highways, will be served by a quarry that opened near Dundas. Two other large quarries were brought into operation during the year, one near Thorold and the other in the Vineland area.

Two large cement plants, one near Ingersoll and the other near Picton, began operations during the year, and near Beachville another existing plant was greatly expanded.

Apart from the new producing mines I have mentioned, a great many others have so far advanced in their development work that they will be able to begin production this year or in 1958.

In the Blind River area, where there are now 3 uranium producers, within the next few months there will be 9 others in full operation — and the smallest among them will in its own right rank among the world's biggest mines devoted exclusively to the production of uranium.

The developments that have taken place in that district, since the discovery of uranium less than 4 years ago, have been almost incredible. Virgin bushland has been transformed into one of the busiest areas in all Canada, and more than \$200 million of private capital has been invested to bring the mines into production.

A whole new city is growing up, and within a year or so it will have a population of at least 20,000. The Department of Highways has constructed an excellent road into the area through some extremely difficult terrain.

At least one other uranium mine will be in operation in eastern Ontario this year.

In the Manitouwadge Lake area, north of Lake Superior, two very large copper and zinc mining operations are preparing to go into production this year. Here, too, a whole new town is growing up, and roads and railways have been built into the area.

North of Sault Ste. Marie, at Mamainse Point, work is proceeding steadily on another copper deposit. Close to Blind River, underground development work is proceeding on still another copper deposit. Four other copper mines are being prepared for production in the far western part of the province, and still another is under development at Lake Timagami.

The capacity of Ontario's iron mines is being increased constantly, so it is not surprising that a new all-time record of iron ore production was established last year. By 1960, the great amount of preparatory work involved in draining Steep Rock Lake will have been completed, and an immense new source of ore will be available from the Caland Ore Body.

You will note, Mr. Chairman, that I have referred only to new developments—those which came into production last year, or those now advancing toward the production stage. The older, established operations have not even been mentioned—and they are still the backbone of our great mining industry.

I have said enough, I think, to show with what good reason I am so confident of Ontario's brilliant future in the world of mining.

It might normally be expected that, with so rapid a growth in the mining industry, a corresponding increase in the cost of operation, and the number of people required to handle the job, would be experienced by The Department of Mines. This, I am happy to say, is not the case.

As I have said, the annual production of the mines of this province rose from \$190 million to about \$650 million in a period of only 10 years. In that same time the number on the staff of The Department of Mines increased by perhaps

10 per cent., and the total ordinary expenditure for operations rose from about \$500,000 to \$1.2 million.

In the same period, the revenue returned to the provincial treasury by my department rose from about \$1.5 million to more than \$8 million.

The department's entire revenue is derived, not from the general public, but rather, directly from that comparatively small but economically important segment of the population that gains directly from the operations of the department; which is to say, from those engaged in the mining industry itself.

The increased production, which is a certainty during the next 12 months, will increase the department's revenue very materially. Depending on the approval of amendments to The Mining Tax Act, presently awaiting consideration of the House, this increase will almost certainly bring the total revenue to not less than \$14.6 million and it may go as high as \$17.6 million.

An increase in the cost of operating the department, during the coming year, is inevitable in the face of the greatly expanded programme which is the result of the intense activity throughout the whole industry during the past year.

Therefore, I ask the approval of hon. members for a total increase in The Department of Mines' estimates of some \$214,000 over the cost of operating during the current year.

The greater part of this increase, \$140,000, will go into salaries, and I am sure that no hon. member is likely to cavil at an expenditure for this purpose, particularly when it is considered that \$23,000 of this amount has heretofore been included in the cost-of-living bonus. Thus, the real salary increase is only \$117,000.

I have estimated that an additional \$12,000 will be required to defray the travelling expenses of the department's staff. This, I think, is a relatively modest increase when we consider how widespread is the new activity in the mining field, the amount of extra mileage that

will be entailed in covering these developments, and the increased cost of travelling.

The remaining \$85,000 of the increased estimate is earmarked for maintenance and general expenses of the department.

Of this amount, \$47,000 will be devoted to the operations of the main office; \$6,000 of this is for general purposes because of increased costs; \$32,000 for an accelerated programme of production in the publications office, designed to bring our reports as nearly up-to-date as is humanly possible; and \$9,000 as the government's third contribution to the Commonwealth mining congress which, for the second time in its history, will be convening in Canada in 1957.

We plan to expend \$22,000 of the remainder on equipment which is essential to the continued efficient operation of our 3 laboratories—the Timiskaming testing laboratory at Cobalt; the provincial assay laboratory, and the cable testing laboratory, both in the east block of the Parliament buildings.

The remaining \$16,000 will be divided among the 3 major branches of the department—mines inspection, geological, and mining lands—to enable them to continue to perform the efficient work for the industry that they are now doing.

I have passed very lightly over the operations of the various offices of my department, because I outlined their respective duties rather thoroughly at this time last year.

I would refer the hon. members to the report of the activities for the year 1956, which I had placed on all their desks a few days ago, for a more complete summary of what my department does and how it does it.

I would suggest, too, that any hon. member who would like to invest a few minutes of his time might find it a rewarding experience to visit either or both the Toronto laboratories I mentioned a minute ago.

Mr. Chairman, the financial record of the department during the current fiscal

year indicates that we will be able to return to the treasury a total of some \$8.6 million for a net expenditure of only \$1.3 million, thus showing an operating surplus of approximately \$7.3 million. I have already indicated by how much we expect to better this record in the year ahead.

I have taken into account only the ordinary revenue as opposed to the ordinary expenditure. There is also a capital expenditure of \$1 million for mining and access roads. While this is actually an inter-departmental programme, it is defrayed by The Department of Mines, vote 1,107.

I am sure that it has so well proved itself in the years since its inauguration in 1951 that I need put up no special plea for its continuance now. Again I would refer the hon. members to the report for 1956, in which there appears a complete list of the roads built under the programme.

In closing, I should like to pay public and whole-hearted tribute to the members of my staff, nearly every one of whom is a qualified specialist in his or her field, and who, without exception are loyal, hard-working and efficient servants of the people of Ontario.

It is obvious that, without their support, little could have been accomplished of all that has been done in the last few years of extraordinary activity in the mining field.

MR. A. WREN (Kenora): Mr. Chairman, on vote 1,101, it is usual that we make more general comment on this vital department connected, as it is, so intimately with the development of our natural resources.

It is unfortunate, indeed, that we cannot get too much prior notice of what department will be debated or what estimates will be brought down from time to time.

HON. L. M. FROST (Prime Minister): I advised hon. members about this on Friday; that either one of the two resource departments would be debated.

MR. WREN: It was either or both.

HON. MR. FROST: What has the hon. member been doing?

MR. WREN: Our office telephoned the hon. Prime Minister's office a half hour ago, and he was not sure what it would be. I am quite prepared, however, from my rather close association with this industry, to discuss it at some length, nevertheless.

One of the most important features of the remarks of the hon. Minister in bringing down his estimates was the suggestion that this year the increase in mining taxation, as related to increases in revenue, would approximate something like \$17 million if the maximum effort is put forward. It is something like an increase of \$9 million in revenue from the mining industry as compared with the previous fiscal year.

I suggest to hon. members of this House, Mr. Chairman, that in my opinion—coming from an area where the development of our mineral resources is vital to our future—this tax is discriminatory in the extreme. I have to say that I cannot see on the face of it where this very sharp increase, which is more than double, in mining taxation is justified.

This is one place where I might agree with the hon. member for York South (Mr. MacDonald) in the use of terms. I would say that the service directed back to the industry in relation to the revenue collected is certainly "peanuts." I am supported in this view by people who are closely associated with the industry itself.

I would direct the attention of the hon. members of the House to an editorial in *The Northern Miner* of February 18, 1957, which is headed:

ONTARIO TAX INCREASES EXCESSIVE,
DISCRIMINATORY AND DISCOURAGING

I am not going to read this editorial in its entirety, but I would quote some

of the conclusions it reaches. In the last two paragraphs of that editorial it says:

The Ontario taxation take is being boosted from \$7 million a year to over \$16 million, the increase of \$9 million more than doubles the total imposition upon this one industry. That, we submit, is taking unfair advantage of the mines.

The increase upon that industry is as nothing in comparison. It comes when copper is depressed and gold mining is deeper in debt. It can be said that Ontario's action is very discouraging to mining enthusiasm and progress.

I want to outline some of my reasoning for saying that the increase is unjustified in its extent and discriminatory to the industry itself. The hon. Minister has already pointed out that his total budget, after an increase of \$214,000, is \$1,562,00; in addition to that there is another \$1 million voted for principal access roads in another department of government. That in itself makes a total of \$2,562,000; in adding to that \$2 million in grants to mining municipalities through The Department of Municipal Affairs it disburses \$4,562,000, and, of course, it must be pointed out that the \$2 million in grants and aids to mining municipalities come from taxation on the mines themselves and is actually in this specific sense a bookkeeping entry.

I want to say that I do not think there is another department of government where such a great chunk is taken out of taxation of a particular industry to support the services granted to it. The hon. Minister of Lands and Forests (Mr. Mapledoram) in the next day or two will no doubt tell us that the increase of logging tax in that great industry will be something like \$1 million, and I fail to see again why the mining industry should be "soaked" with the \$9 million increase.

In developing that a little further, the other day we heard the hon. member for York South express the opinion, and I assume it was the opinion of his party, that we were not charging the industry

sufficient; we were not charging in all the areas of natural resource development to the extent that we should. He spoke about the generated reserves, so-called, of these great corporations.

One thing the hon. member did not say about these generated reserves, and one thing which must be said when we are discussing these matters, is this:

Let us take one particular mining corporation operating in this province as one example, the International Nickel Company. I believe the hon. member said that the International Nickel Company had these so-called generated reserves of something like \$212 million. What the hon. member did not say was that the same company is now embarking on a programme to spend \$175 million and upwards in new development in a sister province of ours. It must be kept in mind, and must be kept in front of us at all times, that the development of our natural resources depends almost entirely on these companies being able to maintain some sort of balanced reserve which will enable this exploration development, and with it the creation of new jobs and new wealth from that employment.

Another serious aspect of this increase in mining and taxation is the very serious consequences it is going to have on organized labour across northern Ontario, because what we are doing by the imposition of this tax is taking away from the bargaining table funds which should be available to management and labour for the improvement, both in wages and in working conditions, in these operations.

And the imposition of this tax is, actually, first of all a denial to the labour force in the mines of northern and north-western Ontario to some consideration in the disposal of anticipated profits from that particular industry.

I know, and I know the hon. Minister knows, that major producers in gold, not only in Ontario, but in the Dominion of Canada itself, are faced with a great problem. It is one we have always had in the Red Lake gold fields, in my riding—that of the mines being unable to pay

a wage which was sufficient to attract skilled miners into the area.

Those same miners today, even with union organization and a better bargaining position than the men have hitherto had, are still in a position where they are virtually unable to secure higher wages until some upward trend in the industry takes place.

I can give hon. members an example of that :

The McKenzie Island mines last year, even after receiving a subsidy from the federal government in excess of \$160,000, ended their fiscal year with an operating loss of \$52,000. It is difficult indeed for any company in that position to have to go out and compete on the labour market when funds are not available for the purpose. And it is only natural, too, that skilled labour in the mining industry trades is not going to be attracted to a field where the wages are not, at least, comparable; and in this highly hazardous occupation should be a good deal higher.

I know it is going to be said, if we are going to make contributions to this industry, the industries themselves must be prepared to pay for them. I would point out, in all seriousness, that nothing of any real consequence is going to come from our natural resources in the northwestern and northern parts of this province if we are going to continue with an attitude that seeks to drain away most, or all, of the profits of those developments in taxation.

Someone is going to ask, too, if we have to spend money to operate the service and operate certain functions of government, where are we going to raise the money if we do not tax natural resources? I say—

HON. MR. FROST: May I ask a question of the hon. member? The mining tax he is talking about will come up by way of a separate bill in the assembly. I assume, Mr. Chairman, it is all right to speak on the general subject in the estimates, but not in the type of remarks the hon. member is making.

The mining tax of which he is speaking is not altered; it remains the same in those low brackets and some of the mines he has mentioned would not be taxed at all.

MR. WREN: Mr. Chairman, the point I want to make is that once a precedent is established, it is going to continue. I have no hesitation in saying, and I say to the hon. member for York South, that I would be happy to see any of these so-called large corporations he chooses to smear—the many nickel companies and those metal companies—come into northern and northwestern Ontario. I want them to come in there with the fullest confidence that they are not going to be taxed out of existence before they put a drill into the ground.

HON. MR. FROST: I do not understand what our mining taxes have to do with that, Mr. Chairman. The hon. member mentioned a company lost \$52,000 last year. There is no tax; and I would say the tax they are presently paying is deductible as an expense, and is not alterable under this arrangement. I doubt whether there is one mine in the area the hon. member comes from that would be affected at all by the tax.

HON. MR. KELLY: There may be one which would be affected.

MR. WREN: There are mines in that area which will be affected by this tax, and there are developments on the way in the base metal fields which will be seriously affected by this tax in the next two or three years.

In using these examples, what I am pointing out is not any opposite or extreme examples; I am trying to point out the mining industry today is not in a very happy position except for rare instances.

HON. MR. KELLY: Mr. Chairman, may I point out to the hon. member he is talking, largely, of gold mines. I believe there are 3 gold mines in the

province which would be affected. The price established of \$35 per fine ounce is fixed by international agreement at Ottawa with South Africa and the United States. That is the fixed price of gold, and this government can do nothing about that.

But, we have increased no tax on the small mining companies. In the Porcupine area, I believe not one mine is affected whatsoever. Large companies with profits of over \$5 million per annum are the ones which are paying this increase of \$9 million; not the small ones.

MR. WREN: That is the very thing I am talking about, Mr. Chairman, and there is no use trying to talk around the subject or talk away from it. What the hon. Minister says is the very thing I am talking about.

Taxation or a form of royalty on mining resources is, certainly, fundamental and, I repeat, the increase is excessive and it is discriminatory because the government is taking away money from the bargaining table of labour—taking away money which can be properly used for development and exploratory programmes in our province. Money, once collected, would disappear.

If the hon. Minister needed money for his budget, to the extent of \$14 or \$15 million, to operate his department efficiently and effectively, I would say he was justified in doing this. However, under these conditions, I do not think he is justified.

I leave that subject for a moment. I want to talk just a little about the access roads. I want to compliment the hon. Minister and those of the access roads committee who work with him for the splendid work they have done in the northern regions of the province in providing access to mining and other communities. I note there is \$1 million allocated for that purpose this year, and I feel that with the same forward look and with the same consideration, the expenditure of that \$1 million will go

a long way this year, as it has in past years.

I know the hon. Minister is actively considering the building of an access road into the northwestern section of my own riding. I hope he will give this his complete and earnest consideration. I would not like to see the results of the mining activities in that section of my riding go to another province.

I do want to say something about the prospecting and exploration field in particular.

Again, I want to point out for the benefit of the hon. member for York South, when he talks about taxing these people to the limit, that—to go back again to the Red Lake area—I do not think there is any industry anywhere which has persevered for so long, and actually persevered to the edge of survival, as many times as has the Red Lake gold camp. Today, gradually, through technological development, further exploration, and further risk of capital, they have reached a point where there appears to be some light. They have got so far now where the organization of older companies have begun one or two new operations, and it is indeed a risk of capital venture to the ultimate degree to open any gold mining properties.

It is an admirable situation the way these people are persevering; and I agree with the hon. Minister that their problems are not due to any fault of the administration here, or of the administration in Ottawa; world conditions have fixed the price for a product, the cost of production of which has continually risen.

But I think it should be a matter of congratulation to the management and workers in the industry for their perseverance and for the fine results they are beginning to obtain.

Again, I repeat, it is not so much what has gone into the area or what comes out of it in taxes. The important thing is the millions of payroll dollars that come out of the camps each year.

It is probable now that the same thing will take place in the Iron Bay area, in the Warner Lake area, and in the iron formations north and west of the Sioux Lookout section of the riding.

I would like to see these people have access—provided the money is spent for that purpose—from which money can be reasonably obtained to pursue their mining programmes.

The northwest part of the province, as the hon. member for Port Arthur (Mr. Wardrope) said in his address in reply to the speech from the Throne, is only just scratched. It is going to become a great and important economic segment of this province.

In conclusion, Mr. Chairman, I would say again what I said at the outset, that I believe the increase in mining taxes which will be applied on the industry this year are excessive and discriminatory.

MR. R. GISBORN (Wentworth East): I would like to say a word or two on behalf of the miners who helped to produce this great wealth in this very unfortunate industry in northern Ontario.

I must say, Mr. Chairman, that I am somewhat disappointed at the fact that the hon. Minister has not seen fit to bring in an amendment to The Mining Act in regard to safety and health.

On March 3rd last year, while on a trip to the northern mining areas, the committee on mines met a delegation from the steelworkers' union to discuss with them some of their concerns in regard to mining safety, and the problems of the miners in general.

Following the meeting, the steelworkers' committee was promised a hearing with the committee on mines back here in Toronto. The hearing was granted, and they presented their feelings in regard to mine safety.

There was one specific part of the Act they pointed to, with which they were quite concerned, and that was part

8, section 152, subsection (2) of The Mining Act, which reads:

Subject to the requirements of this Act and except as herein provided, responsibility for the authorization and decisions as to the qualifications of employees shall rest with the employer or his agent.

The miners have had the problem of mining operators attempting to use — and using — this section of the Act to avoid their responsibilities in regard to collective agreements in accordance with The Labour Relations Act. A number of their difficulties arise because of that section of the Act, and in the application of seniority rights, promotions, demotions, and in regard to disciplinary action or discharge where the qualifications of employees were an issue.

Most collective bargaining agreements provide that seniority should be effective in determining promotion and demotion and transfers, and if the employee has sufficient ability to perform that job, it should be recognized; and in all collective agreements there is also provision for arbitration, at which the union and the employers can come to a decision.

This paragraph has been used, and it is used, largely to avoid recognizing the collective agreement, inasmuch as the paragraph allows the employer or his agent, and them alone, to decide the qualifications of the man in doing the job.

I think this section should definitely be clarified so that the rights of the workers with regard to collective bargaining shall be recognized under the terms of the agreement. I feel, in fairness, that this section was put into the Act before the collective bargaining agreement —

THE CHAIRMAN: Might I interrupt the hon. member? Would not this come in under The Mining Act? Here we are on estimates of The Department of Mines.

MR. GIBBORN: This is in relation to The Mining Act, under The Department of Mines.

THE CHAIRMAN: This is the estimates we are on now.

MR. GIBBORN: Is it not the procedure to say a few words on the policy detailed in the estimates? If it is your ruling that I should leave it until the bill —

THE CHAIRMAN: I do not want to cut the hon. member off —

HON. MR. KELLY: There is this new bill, No. 145, which includes complete revision of the safety features of miners, and so on, on which that might be discussed.

MR. GIBBORN: I will leave it until the bill. I have read the bill and it is only a synchronization of the regulations. I will make my points then.

MR. D. C. MacDONALD (York South): I had not intended to make any general remarks at this time, and I can assure hon. members that I shall be brief, but in view of the comments of the hon. member for Kenora something should be said.

Let me, at the outset, make this point — and make it clearly — that I do not suppose I can ever prove to the hon. member for Kenora that my attitude, and the attitude of the CCF, with regard to large corporations is not one of opposition to them being in the field.

Obviously, in the development of natural resources, and in the nature of the economic development today, we are going to have corporations, and many of them will be large corporations.

But my basic complaint is that governments in the past have been so solicitous of the welfare of these corporations that they are unwilling to raise from them, where the money is, the revenue required to meet either the service of the industry in those govern-

ment departments or the needs of the people as a whole.

It astounds me once again this afternoon to note the consistency of the pattern of Liberal pronouncement, in other words that the Liberals are more Tory than the Tories. This government obviously is not going to impose this tax until it is over-persuaded and the case is proved 10 times over. This increase should have come years ago, and yet, when this government moves, the Liberals rise and berate them for doing it.

The basic situation today is that the mining industry has grown until it represents over \$600 million in production every year. That wealth is based on reserves which do not belong to the mine management. They belong to the people of the province of Ontario, and the government is the trustee of those resources on behalf of the people of Ontario. As the trustee, it leases these resources to these companies, and, in return, receives certain revenue.

What we are faced with this year is the prospect that the revenue we are going to receive from an annual wealth of over \$600 million, is going to be increased from approximately \$7 or \$8 million to \$16 or \$17 million. Yet the hon. member for Kenora is complaining about it.

MR. WREN: What is the profit?

MR. MacDONALD: Never mind the profit. The hon. member for Kenora was talking about the poor companies. These companies are not going to be touched at all. The existing regulations indicate that they will pay no corporation tax for 3 years.

MR. WREN: Their auditors tell me differently.

MR. MacDONALD: Their auditors are not disinterested parties; neither is *The Northern Miner* from which the hon. member read an item about this tax.

As a matter of fact, he cites a case which disproves his own argument conclusively—that of International Nickel. This company has built up a reserve of \$218 million, \$34 million of which has been added this year. The hon. member says they need this money to develop new resources. They are going out to Manitoba and start a new mining venture out there. It is going to cost them \$175 million.

In other words, International Nickel is sitting today with \$218 million of accumulated reserves, so they have something like \$40 to \$50 in excess of what is required to start this new venture in Manitoba.

Clearly under these circumstances with such levels of profit and reserve, it is a fair proposition that a large company should, as the hon. Prime Minister or the hon. Minister of Mines said, be taxed on profits in excess of \$1 million and beyond \$5 million.

Another point which is raised by the hon. member for Kenora: he bases his contention on the plea that the department should raise only what is necessary to service the industry, thereby implying that it is not the right or the obligation of the government to raise something beyond that for the needs of the people as a whole, who own these resources. Surely the case is conclusive: if the government needs money for welfare, for hospitalization, for all these other things, it must raise the money where the money is.

MR. WREN: If that is the thinking—following it through—why is it this year it will take less money in taxation than it requires for highways, and take 5 times as much money from a natural resource than we actually need?

MR. MacDONALD: Mr. Chairman, if I have to explain that to the hon. member, then obviously he has so little grasp of the essential difference as to make my efforts useless.

I just want to add two other points rather briefly, because I do not intend

to take the time of the House at this stage. The hon. member for Kenora rises and says, with crocodile tears rolling down his face, that labour will be opposed to this because it will make it more difficult for labour to get increases across the bargaining table.

I suggest the hon. member take a look at resolutions which labour has passed on this issue. They are not along the line he has been expounding in this House; they have been pleading for years—

MR. WREN: Labour leaders, but not labour.

MR. MacDONALD: Do not indulge in this Tory tactic of trying to separate labour leaders from labour rank and file. The hon. member is becoming more and more Tory, so much so that it is almost beyond belief.

MR. WARDROPE: That is good.

MR. MacDONALD: I do not know why the hon. member does not join the other side.

My final point, and I advance this seriously, rather than pursue a discussion with the hon. member for Kenora. The reason why I am in support of raising this revenue, and would go even further, is that a resources tax becomes a deductible item in calculating income tax at the federal level. If the government wants revenue—and it is complaining about the federal government taking half of the money it raises in the province of Ontario, and distributing it across the nation and so on—here is a way to circumvent that procedure. Every dollar it can raise on the resources which are ours—and which the hon. Provincial Treasurer (Mr. Porter) is looking after on behalf of the people of Ontario—every dollar which can be raised at the resources tax level comes here into the coffers of the province of Ontario, available for our use 100 per cent.

The companies can use it as a deductible item when they are making out their

tax, therefore, if the government raises money at this level it will receive 100 per cent. of the tax dollar and the corporation will have that much less tax to pay to Ottawa.

We so often hear the plea of the hon. Prime Minister that so little of federal revenue returns to the province of Ontario. It seems to me the case for increasing revenue at the resource tax base is conclusive from the Ontario point of view. If one wants to look at it from a provincial, or even a parochial point of view, these are our resources, which we are entitled to receive. Secondly, if we raise the revenue, it goes to our use rather than to the Ottawa Frankensteins whom the hon. Prime Minister claims are giving us such a bad deal at this time.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, may I ask the hon. Provincial Treasurer whether he thinks this is feasible? Is it true that any tax we levy on mines can be deducted from federal income tax?

HON. MR. KELLY: As an expense.

MR. WINTERMEYER: One cannot deduct an income tax from Ottawa, that is, if it is interpreted to be an income tax.

HON. MR. FROST: It is interpreted as a royalty.

MR. WINTERMEYER: That is a nice point. The hon. member for York South would say that anything may be interpreted as a royalty, obviously it cannot if it is decided it is income tax, then it is not deductible —

HON. MR. PORTER: There is no doubt about it, as to the mining tax, that the federal agreement has agreed that it is a royalty tax. The intention of that method of determining the royalty, they accept that as an expense of doing business, and it is deductible.

MR. WINTERMEYER: I am afraid I have not my point across. What the hon. Provincial Treasurer now says, I

agree with. But as I see it, the hon. member for York South was saying one could expand this idea of the tax agreement provincial-wise, and take that from the federal income tax.

HON. MR. PORTER: No, I do not think that is what the hon. member meant. It is an expense of doing business, and it is deducted in computing the net income of the corporation, the net income of the corporation subject to tax is that much less so that in effect it costs the company—if one takes all taxes, the personal income tax and the mining tax—the net cost to the company is about one-half of the mining tax —

MR. WINTERMEYER: There is no doubt about that, if the federal government has said: "This is a tax on income, but we will treat it as a royalty and permit you to deduct it as an expense, therefore you are paying only one-half of it."

But as far as the provision the hon. member for York South was pursuing, the provincial government's profit tax of 50 per cent., to levy 50 per cent. tax on the income of a mining company on all profits over \$5 million; does the hon. Provincial Treasurer think that 50 per cent. tax would be treated in the same way in which the other tax is treated?

HON. MR. KELLY: I think something should be understood here. In the first instance, nobody seems to have reached the point that a mine assessor originally assessed the value of the ore at pithead; subsequently over the years it has become an item of taxation based on the profit and loss statement and with 17 or 18 minerals coming out of the ore.

But the base product is a royalty, and one must get back to the original thinking that an assessor originally assessed the value of the ore at the pithead on a royalty basis, and that is the mining tax in Ontario. The tax is on the mining operation only.

HON. MR. PORTER: Not the entire profits of the company.

MR. WINTERMEYER: I am wholly in agreement with what has been said. I am not quarreling about it. All I am saying is that I do not think the position the hon. member for York South has stated is feasible constitutionally or legally, because all they are doing now is saying that they will treat it as a royalty. But if we are treating it as income, it would be part of the \$9 million increase that we are debating.

HON. MR. PORTER: As the hon. Minister has said, it is a tax only of the mining profits. With many of these companies, a very large proportion of their undertaking is mining profits in the ordinary sense, and in some companies part of their undertaking varies with kinds of development.

Take gold, for instance. There is no item for selling the product or research in attempting to find new uses for it, but in some companies there is a much larger proportion of their operations which are not mining operations, so that varies.

But it is only on the mining profits. It is not on the outside profits. As a matter of fact, even if we tax up to 100 per cent., it would be allowed under an expense deduction under our agreement with Ottawa.

HON. MR. KELLY: We are permitted to tax up to 85 per cent. For the purpose of comparison of the actual tax imposed on such mining profits, I might tell hon. members that where we go up to 13 per cent., the rate of the other provinces of this Dominion has been consistent at 12.5 per cent.

HON. MR. FROST: I point out to the hon. member that we cannot go up to 75 or 100 per cent. or something of the sort, because we are met with the competitive position. One must remember there is another province, and must pretty well gauge what the situation is

elsewhere, if one is not going to drive away development from this province.

We have tried to base what is being done upon our competitive position, with a view to getting as much money as we can, and at the same time not restricting development. That is about the situation.

Votes 1,101, 1,102, 1,103, and 1,104 agreed to.

On vote 1,105:

MR. MacDONALD: Mr. Chairman, last year, we had a lengthy debate in which the hon. Leader of the Opposition (Mr. Oliver) participated, and I think two or three others, and my impression was at the end of the debate that the hon. Prime Minister had become persuaded of the sort of invidious position as represented here, where the financing of the sulphur fumes arbitrator comes from the treasuries of the International Nickel Company.

In other words, whatever his salary and expenses are at the end of the year, the province turns around and assesses the International Nickel Company with that amount of money and they pay it in a lump sum.

This man is supposed to be an independent arbitrator, and there is a very widespread feeling growing up among the farmers who are seeking justice that he is not independent. The government is placing this man in a very invidious position by continuing with this kind of financial procedure.

Normally I would not argue that the government should raise less money from International Nickel, but I think the principle here is bad. The arbitrator should be paid out of the treasury of the province, even if it cannot be raised from International Nickel, because it is basically a very bad situation.

HON. MR. KELLY: I would point out that he is paid out of our funds.

MR. MacDONALD: But then it is reclaimed.

HON. MR. KELLY: We assess two nickel mines, Falconbridge and Inco in Sudbury, for the total cost of this, whatever that cost may be, and we may have additional expense due to certain investigations which are made.

In any event, they pay the full shot. They pay it to The Department of Mines. We pay our employees.

MR. MacDONALD: It is still a bad arrangement.

MR. R. BELISLE (Nickel Belt): Will the hon. Minister tell me if the \$15,000 is only for the arbitrator?

HON. MR. KELLY: I am advised that this covers the salaries of two men and a girl.

Votes 1,105 and 1,106 agreed to.

On vote 1,107:

MR. WARDROPE: Mr. Chairman, my remarks will be very brief. In my area, the access roads branch have almost completed the Nakina-Geraldton road and the Seagram-Caramat road. Both are opening up large new areas for timber and mining development, and letting the people of those communities out to the main highway.

I want to compliment the access roads committee on that, because they are really, in my opinion, taking the place of the old northern development branch of The Department of Highways. They are doing a wonderful job.

If I have any criticism, I would like to see more money put into the access road fund, because it is doing a great deal in our part of the country, not only in helping people who have for years been paying licence fees and gas taxes and so on, to get some place in the outside world, but it has also been opening up great new, vast treasure sources of minerals and timber.

There are tremendous iron developments north of Nakina in my area, which have been waiting for a road,

and there are other developments in that area which now will become a certainty in their productive economic value to this province due to these access roads.

One other thing I want to do is to compliment the hon. Minister and his staff on his geological surveying parties, which go out in the field each year.

I note that, after a township in our area is geologically mapped, immediately prospectors go in and development follows, and I would like to see more of that done, and more geological parties go out.

I would also like to see more thought given to a new assay office and mining laboratory in our territory. I have been talking about that for a long while.

Our prospectors have a great deal of difficulty in having their samples assayed. They have to be sent to Toronto, or to Sudbury or North Bay, or at some other point a great distance from where these discoveries are made. It takes time and a lot of expense for our men in the mining business to have this done.

If we had a mining office and assay laboratory in my part of Ontario, it would make the situation very much easier for our mining men, and much more advantageous to the department, and would add economic wealth to this province.

I want to compliment the hon. Minister and his staff on what has been accomplished this year, in forest conservation and parks, as well as the access roads committee. My only admonition and hope is that more money will be put into that access roads account each year progressively. The committee is doing a great job and opening up a lot of territory, not with big expensive highways, but ordinary everyday roads, and that is what we need in those outlying areas.

Vote 1,107 agreed to.

Hon. Mr. Frost moves that the committee rise and report certain resolutions.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. C. E. JANES: Mr. Speaker, the committee of supply begs to report certain resolutions and asks leave to sit again.

Report agreed to.

THIRD READINGS

The following bills were given third reading, upon motions:

Bill No. 4, An Act respecting the Erin Fifth Line Union Church in the township of Erin.

Bill No. 7, An Act respecting The United Church of Canada.

Bill No. 8, An Act respecting the village of Forest Hill.

Bill No. 9, An Act respecting the township of Crowland.

Bill No. 16, An Act respecting the Hamilton Health Association.

Bill No. 23, An Act respecting the city of London.

Bill No. 29, An Act respecting the city of St. Thomas.

Bill No. 31, An Act respecting the city of Windsor.

Bill No. 36, An Act respecting the city of Sault Ste. Marie.

Bill No. 38, An Act respecting the town of Fort Frances.

Bill No. 62, An Act to amend The Public Health Act.

Bill No. 67, An Act respecting The Department of Highways.

Bill No. 87, An Act to amend The Separate Schools Act.

Bill No. 99, An Act to amend The Teachers' Superannuation Act.

Bill No. 116, An Act to amend The Public Lands Act.

Bill No. 117, An Act to amend The Surveys Act.

THE MINING ACT

Hon. P. T. Kelly moves second reading of Bill No. 86, "An Act to amend The Mining Act."

He said: In connection with this bill I would add, before this goes to the committee of the whole House, that I move certain amendments.

Amendment to section 1; that it be stricken out.

Section 3 to be stricken out.

Section 6 to be amended by the following:

1a. The holder of a mining claim shall not have any right, title or claim to the surplus rights of the claim other than the right to enter upon, use and occupy such part or parts thereof as are necessary for the purpose of prospecting and the efficient exploration, development and operation of the mines, minerals and mining rights therein.

Section 11, to be stricken out and the following substituted:

(a) shall reserve all surface rights excluded by or withdrawn under this Act or the regulations, or which have otherwise been alienated by the Crown; and

(b) shall reserve all such other surface rights he considers necessary for any purposes other than the mineral industry and not essential for the efficient exploration and development of the mines, minerals and mining rights.

There is another subsection here. Copies of the amendment have been given to the hon. Leader of the Opposition and the hon. Leader of the CCF group.

Section 14, as they have it, will also be amended.

Section 15, I might say in connection with these amendments, Mr. Speaker, that the staking of claims from a normal 12,000 to 50,000 per annum has created quite a problem in connection with the surface rights.

The intent is to hold the line with this legislation, and we shall appoint a committee, to be named by the hon. Prime Minister, to inquire into the Act dealing with the natural resources of this province, in due course. These items now are simply to hold the line in the period required, one year, to get this Act and other Acts into shape.

MR. A. WREN (Kenora): May I ask the hon. Minister if this bill will go to the mining committee after it is reprinted?

HON. MR. KELLY: Yes, it will go to the mining committee.

HON. L. M. FROST (Prime Minister): In speaking of this, I might say there was a great deal of comment about the purpose of this bill.

I think there has been a good deal of misunderstanding as to what is taking place, and I notice there were some comments in our newspapers to the effect that this bill was to place mining, in the matter of surface rights, under the control of the hon. Minister of Lands and Forests (Mr. Mapledoram).

The hon. Minister, particularly, was designated, according to some of these articles, as being a "big bad wolf."

I would like to explain to hon. members of the House that such is not the purpose or intention. As the hon. Minister has said, we now have tremendous staking in this province. Last year and for some two or three years, some 50,000 claims were staked and this is a very enormous acreage. I have not translated, into acreage, what that would mean if these claims were patented. It would be very foolish to think that all these claims would be patented because there are only a small proportion patented.

My recollection is—and the hon. Minister can correct me if I am wrong—that at the present time we have patented mining claims which would be, in extent, about the size of the lands which have been reserved at Sioux Lookout, I think, for the purposes of Anglo-Newfoundland

development, so that it can be seen this can become an enormous thing and that it can run completely contrary to our plans in regard to forest conservation.

I might give the House a simple example:

There were one or two townships in which some persons were interested from the standpoint of general conservation in the general area of Algonquin Park—very fine natural townships that should be reserved for the people in the future.

There are many townships in the province that should not be thrown open to indiscriminate sale. I think that is true of our park lands in Quetico Park and Algonquin Park.

These townships were on the borders of the park, and ordinarily might provide a very desirable addition to the park, and it was determined that these lands would be withheld from any sale to provide industries, which, I think, is a very proper course to take until the matter is settled and determined.

Lo and behold, we found that under The Mining Act half of these townships were staked, and title could be obtained to the townships through The Mining Act, which is quite true. We have found cases where portages—areas through which people normally travel—that title to these could be acquired by using some of the provisions of The Mining Act.

That is not the purpose of the Act at all. The purpose of The Mining Act is to make available to mining interests such Crown lands as are required—and would normally be used—for mining purposes.

The difficulty is that if there is not some control of this matter, then one may find that one's most carefully laid plans in relation to the conservation of our forests can be defeated; in other words, that the interests in one facet of the province's operations run counter to the provisions of another.

I quite realize that in mining it is possible to make this thing so tight that it might be difficult, or impossible, for persons under The Mining Act to subvert the uses of The Mining Act to some

other purpose. It might be made so tight and ridiculous that actually it would be impossible to use these lands for mining purposes, or the converse might be the case.

What we are trying to do is this:

We are trying to find a way for the great public domain of Ontario, which makes up some 85 per cent. of our land area, to be conserved and reserved for the use of the people—the people of this province—for mining, reforestation and for general forestry purposes. We think there is a wide balance in this.

The question may be asked: Why these amendments?

The amendments, as first introduced in this House, attempted to spell out too definitely what should be done. The last amendments, as the hon. Minister of Mines has said, are more *apropos* of stabilizing the situation in order that the matter might be looked at.

Perhaps I should clarify this. We intend to set up an investigating committee. We want to look at all the regulations which apply in other provinces in relation to this particular problem.

The situation in Quebec is quite different from ours. There are reservations for surface rights that do not apply in this province.

First of all, we would like to look at that problem.

Second, we would like to find a wise balance, so the creating of surface rights could be done in such a way as not to interfere with, or impede, in any way at all, the mining interests of the prospectors. But at the same time, in creating surface rights we want to provide ample protection for our great forest areas in this province, which are, on the other side of the ledger, of very immense value.

In connection with this committee, there is only one person I have in mind at the present time, and that is the author of the Kennedy Report, Gen. Kennedy. I asked him if he would serve as one of the members of this committee.

Gen. Kennedy is, I think, a very sound individual who knows about the

problems we have to meet. Regarding the others, on such a committee when I get two other persons of equal calibre and standing — as I have no doubt I will be able to do — I think we will be able to look at this matter and suggest to the House next year, in the form of a proposed amendment, solutions which ought to clean up the situation satisfactorily and protect the various interests involved.

MR. WREN: Since the hon. Minister has suggested that this bill will go to the committee on mining, I understand that it has not been amended as yet? That these are just suggested amendments; and the hon. Minister would make available to hon. members the proposed amendments?

HON. MR. FROST: They have been sent over to the hon. Leader of the Opposition and the hon. member for York South.

MR. WREN: But they would have to be made available to all hon. members, otherwise we would not be able to support this bill on second reading.

However, since the hon. Minister has given us the assurance that these amendments will be going to the committee on mining, and the committee will be appointed by the hon. Prime Minister, we would be prepared to support them.

I may say that we in the north are not at all concerned as to the hon. Minister of Lands and Forests being the bogey man in this. We are not afraid of The Department of Lands and Forests; but we have been concerned, and very seriously concerned, that the hon. Minister of Mines and the hon. Prime Minister would develop legislation without consultation between the prospectors, the wood industry and others. It was a very untoward step to take; and provided these amendments are going to be introduced I would be prepared to support them, otherwise my party would have to vote against them.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, in regard to this committee which the hon. Prime Minister is going to set up, are we going to clothe that committee with the power to call witnesses and take evidence under oath, or is it just to be an advisory committee?

HON. MR. FROST: The answer is that it would be an advisory committee. I have thought that the mining commissioner, who was the subject of controversy here last year, but who is a very able official, knows about the problem — I have thought about him for one.

I spoke to Gen. Kennedy, who refers to this matter in his report, with which the hon. member is familiar.

I would like to get another person to balance off that combination and say to them: "Look at this matter in an advisory way."

I do not think it is necessary for the committee to have the powers of a Royal commission, or anything like that. These 3 persons could look at the question in a very objective and impartial way, with a view to protecting the general interest, and their findings could be submitted to the House in the form of more affirmative legislation.

MR. OLIVER: I am somewhat concerned about the growth of these advisory committees, in the scheme of government, as this government sees it. We now have an advisory committee to the hon. Minister of Municipal Affairs; we have an advisory committee in several other instances — The Department of Lands and Forests is another one; and perhaps there are others of which I cannot think at the moment.

But I suggest to the hon. Prime Minister that it is not, in my opinion, a healthy growth. It seems to me that when Acts need revising and legislation needs to be brought up-to-date, committees of the House are capable of producing these changes. They are the natural avenues by which changes can be brought about.

What is happening in respect of these matters is that the government is washing its hands, almost, of committees of the Legislature, and going instead in the direction of committees, appointed by the hon. Minister or the Lieutenant-Governor in Council, and reporting back to the hon. Minister.

I would say in all seriousness that there is a wider interest in these matters than that, and a greater responsibility as well. Those of us on this side of the House are just as interested as others in these reports, and seeing to it that all people have an opportunity to make presentations before a committee, and that their arguments be taken full account of.

The hon. Prime Minister last year, and again this year, is suggesting that he is going to obtain very able men to act on these committees. I do not agree with that principle in its entirety, unless it is going to be in the form and substance of a Royal commission.

If we are going to have a committee, it seems to me that in this House are hon. members who could well act as a committee for these purposes. Hon. members can bring, to that committee, these men who are learned in this or that particular aspect of the situation, and can draw from those men their views and their considered opinions in relation thereto.

Then, after having heard all of these people who are qualified particularly to deal with the matter, and having heard the public interest on the other side, or maybe on the same side — but hearing as well the public interest — then I think the committee would be in a position to make up its mind in a way which would be beneficial.

I do not think it is necessary at all to restrict the membership on these committees to men outside the House, and to men who have particular knowledge of the issue at hand. These men can be brought to the committee, and the knowledge they have can be gained from them, at the committee, by the hon. members. And the hon. members can resolve as to what kind of reports can be brought forward.

HON. MR. FROST: Of course, that opportunity will be given to the hon. Leader of the Opposition next year. As it now stands, it provides for the stabilizing of this situation for the coming year. It does not at all derogate the powers or the committees of the House which deal with it. What happened was this:

This matter was given a good deal of consideration. I am quite frank in saying that I think the time is overdue for provisions to control the granting of surface rights, but we recognize it is a controversial question, and we did attempt to deal with it before by raising the amounts payable under the acreage tax under The Mining Act, and by providing for the forfeiture of claims for the non-fulfilment of duties.

This had a very desirable effect, but it is not improving, I am satisfied, the requirements of this province in view of the tremendous amount of staking which is taking place.

At the beginning of this month, there was a meeting in Toronto of the prospectors' association. I have no doubt the hon. Leader of the Opposition will recollect that. This legislation was purposely placed upon the agenda there.

There was very critical reference to it arising largely from a misunderstanding. One very well known gentleman whom the hon. Leader of the Opposition knows, if I were to mention his name, said to me that this Act simply said that the prospectors were placed under the administration of The Department of Lands and Forests.

I pointed out to him that this was hardly the case, and was not the situation. But arising from that misunderstanding the feeling was: "Let us sit down with you and see if we cannot find a way to protect these interests and do a good job without hurting anybody." That I think we can do.

We would be bound by nothing that such a committee, of appointed persons, would bring in. That matter will come before the hon. Leader of the Opposition, and we will bring it before the

House and give to the hon. members the very best evidence of opinions we can produce. Then, if the House in its wisdom sees fit to change the committee's recommendations, it will be in its power to do so.

I was quite interested this morning in the work of one committee. I think they did a very good job, and I listened to them dealing with a phase of the matter we have placed before this House.

This was not an arbitrary procedure, but I think it will be agreed that what took place this morning is not the last word, because there are certainly problems to be met by the committee. They did not feel that the proposal before them provided the correct way to handle the situation, so the entire matter was very properly withdrawn by the committee.

I will say that such will be the case in connection with this Act when it comes up. The hon. Leader of the Opposition will find the first amendments as drawn now are designed to hold the situation, in rather the *status quo*, until next year.

That is not exactly the right expression for this reason, obviously there are going to be lands patented, and properly so, carrying different arrangements than have been made previously. There will no doubt be applications for lands upon which to carry out developments in these coming months, and the next year perhaps we can find, if we take good counsel, a good reason for bringing before the House amendments that will meet the situation in the days to come.

I can assure the hon. members that appointing this committee is not for the purpose of taking away from hon. members any power to deal with the matter at all, but to give the House better and fuller information concerning the whole problem.

MR. OLIVER: If I might say this: I agree the Legislature will bring it in as a body, if the government brings in legislation governing this matter.

However, the great difference which arises is this: that this committee, the

hon. Prime Minister has said, is not going to be clothed with the powers of a Royal commission, the public will not know where it is, the hon. members of the Legislature will not know what is presented to the committee, and by the same token, we will have no idea what the committee will present to the government.

All we will see is what the government decided could be brought in on that committee's work.

I submit again the people of Ontario have an interest in this, and the hon. members of the opposition are also interested in what the government is doing. What the hon. Prime Minister is doing is holding this thing almost in camera. He is holding the meetings quietly, and the committee is reporting to the hon. Minister, not at any given time, but at any time he wants them to report. The hon. Minister will report, and the government will decide what they want to introduce by way of legislation.

I suggest that may or may not be the correct way, but in my judgment it is not. It seems to me that we could hold public meetings and the report should go to the House, as in the case of other committees of the government. Hon. members should deal with the whole report, and suggest what should be brought in, in the way of legislation.

This committee procedure is something I do not like.

MR. D. C. MacDONALD (York South): Mr. Speaker, there are two issues here which we have been debating and one is the general principle of committees. On that, I would just like to add a brief word here. I planned to raise this earlier in the session and there was no appropriate place. Perhaps this is the appropriate place.

I think we have to sort out our thinking as to the respective role of so-called experts and hon. members of this House on this kind of a committee.

Just let me take the hon. Prime Minister back to an incident that he

may recall rather vividly. It was in that glorious hour of triumph on the eve of the last provincial election, when one of the newspapers reported a statement made by him in Lindsay—when asked if he was not worried about having such a big majority.

The hon. Prime Minister made the best of a very unhealthy situation and said, no, he did not mind a big majority, he was going to put his hon. members to work on committees. That is fine.

My sole experience on a special committee was with the so-called toll roads or highway finance committee, and I think the proposition of having hon. members look into a job is a very important one, and it is important from the opposition point of view because it means that the opposition hon. members are able to get some of this information and can bring it onto the floor of the House, rather than keeping the information in camera, in caucus of the Conservative party or at the departmental level.

In this way we can have an intelligent and informed discussion of public issues.

In our highways committee—I am not so certain whether the hon. Prime Minister is aware of this—we began to fall between two stools. The hon. Prime Minister gave us a job to do, and last May or June we suddenly discovered that, unknown to the committee, top civil servants had been sent out to Oregon, and to California, and were doing some of the jobs which had been assigned to the committee.

I say this to the hon. Prime Minister—and I am not saying it provocatively—if he thinks I am misrepresenting, just let him speak privately with some of his own hon. members on the committee—it was a matter of profound embarrassment to the committee in mapping out its work.

My own conclusion, for what it is worth, and I just submit it for the hon. Prime Minister's consideration, is that there is obviously a role for the experts to play in a matter which is as com-

plicated, for example, as the weight-distance tax or the problem which he is raising here. Particularly, an expert who is in the department.

Then, when recommendations are made, and have to be carried out, the expert will be in a position to implement committee recommendations at the government level. But I repeat, and I emphasize, that I do not think the job should be left to experts alone, to the exclusion of the hon. members of the House.

One of the problems of modern government is: it is falling too much under control of the "brain trusters" and the civil servants — the people behind the scenes.

If we are going to halt, or at least slow down that trend which is emerging more and more in government, and which is discussed nearly every week in newspapers and other serious commentaries; if we are going to halt that trend, the only way to do it is to devise some sort of a working relationship between experts and hon. members of the House, so that the experts become fully cognizant of "the grass roots" feelings of the people, and in turn, the elected representatives get some detailed grasp of the problems and their complexities so they can help shape effective solutions to our problems.

As for the committee which the hon. Prime Minister has just announced, I do not know where it fits in. It is really neither fish nor fowl; it is not an advisory committee in the sense of the municipal advisory committee, or the committee of The Department of Lands and Forests which is a continuing advisory committee.

This is an *ad hoc* advisory committee, on a specific issue, so we have another hybrid or species emerging in our midst.

I think we should clear our thinking on this. My own tentative conclusion is that we have to find some way of getting a good working arrangement between experts and the hon. members of the House, but that the hon. members of the House should not be excluded.

HON. MR. FROST: I agree with the hon. member's version on that. Of course, the problem is one of procedure. I hope that in a few days, if the men who have been working on the matter of hospital insurance give recourse, to have a discussion with the hon. members of the House on the report of the health committee. That is the most practical way of handling this particular matter.

I would say to the hon. member that I would be quite prepared next year to make the committee—which would look at this complicated matter of surface rights—available to the committee of the House, in the same way that we will, within a few days, make available the report of the committee which has been studying the matter of hospital insurance. It is very largely an informal committee, although it has been very real.

I say to the hon. member that it is difficult to combine the experts present with a Parliamentary committee. The best way I know is—if the method were followed—to bring before the committee the people who have been considering this matter and let them give their views to the hon. members, who, after all, are the final judges as to what shall be done.

I quite agree with the hon. member. I am not anxious to present legislation to the hon. members of the House on a "take it or leave it" proposition. The hon. member will agree that we have endeavoured to a very great extent not to do that. We have taken matters to hon. members of the House and there, without regard to party or party affiliations, have let them look at the problem, and we have changed very many things which perhaps some experts might have thought were the best way of dealing with it. Those things have been changed in the light of the comments and the recommendations of hon. members of this House. I can assure my hon. friend that, regarding our procedure, we are only trying to find a balance. I think the hon. member will agree that, in the Parliamentary system, it is open for revisions and innovations.

MR. MacDONALD: It is some of the innovations of which I am fearful.

HON. MR. FROST: As long as the hon. members of the House in the end have the final say, I think that is the real answer to it; that we are not substituting somebody else for the final decision which must lie with the elected representatives of the people. That, I think, is the real test of the procedure.

MR. SPEAKER: May I remind the hon. member for Kenora that the bill will go to the committee as is. After the amendment it will be debated.

Motion agreed to.

THE MOTOR VEHICLE FUEL TAX ACT

Hon. D. Porter moves second reading of Bill No. 86, "An Act to amend The Motor Vehicle Fuel Tax Act, 1956."

MR. OLIVER: Mr. Speaker, on these bills which one would say are the more important ones which are left, I think the hon. Prime Minister would be well advised to give the opposition a day's notice as to when these are going to be called. There are half-a-dozen bills in there that are in the category of being important and debatable. The hon. Prime Minister is starting to call them this afternoon without any notice whatever. I think if the hon. Prime Minister says tonight he will bring them in tomorrow, we will be prepared to discuss them, but at the present time that is not the case. The hon. Prime Minister gave no intimation that he was going ahead with these bills this afternoon.

HON. MR. FROST: Mr. Speaker, far be it from me to take the hon. Leader of the Opposition by surprise. I thought we had said that we would take these in order, but I am quite content to let that bill remain over until tomorrow.

Mr. Speaker, I should give notice to the House that we propose to have a

night session tomorrow, and to dispose of these various other tax bills that would come up at that time—the present orders Nos. 82 to 88, inclusive.

REPORT, TOLL ROADS COMMITTEE (*Continued*)

MR. J. YAREMKO (Bellwoods): Mr. Speaker, there are many points with which I find myself in agreement with all the hon. members of the committee. The first two are in paying my personal regards to the secretary of the committee, Mr. Donald Collins, and to the chairman, the hon. member for London North (Mr. Robarts).

Our secretary had a prodigious job on his hands in assembling and compiling the mass of information which was presented before the committee, and in doing this he did a splendid job.

The hon. chairman permitted the widest of latitude in discussion, and certainly each and every hon. member had the opportunity to make all the inquiries and statements he wished during the course of the committee meetings.

I might say that, having served on several committees, there were few that presented such a challenge as did this particular committee, because it was dealing with a problem with which very few of the hon. members had had, up to that time, any intimate experience.

As a result, they started from scratch; tackling a most difficult and complicated problem.

As the hon. members read the report, they will see there are certain fundamental premises upon which the recommendations of the committee are based. They are these:

That the province of Ontario needs more roads, and that the people of the province of Ontario want those roads. Accordingly, this leads to no other conclusion than this: the roads must be built.

The other basic premise is that, with the size of the backlog and the future

needs which are so great, they could not have been met out of the revenues as they existed prior to this session.

As the hon. members read this report, they will find these basic premises set out on various pages.

I refer them to page 12, where we state:

The astounding development in the use of motor vehicles in Ontario, over the past 40 years, has brought in its wake tremendous public pressure for improved road facilities and, as a consequence, the financial requirements for the road construction and maintenance budget have far outstripped our revenue.

Then further:

Everyone agreed that there is an urgent need for an accelerated road building programme in both rural and urban areas.

It would appear that everyone agrees with this fundamental premise except the opposition. It would appear the hon. member for York South (Mr. MacDonald) does not agree with these basic premises. He did not sign the report and it would appear also he has, to some extent, influenced the official opposition in that, when the motor vehicles fuel tax bill was up before the House, the opposition voted against it.

I say to the hon. members of the opposition that they need not say that they voted against an increase in the gasoline tax; they should come right out and say that they voted for a curtailment of our road building programme because the two things are inseparable.

If the roads have to be built and are needed, there is only one way they can be built, and that is by raising revenues in one form or another.

I suggest the opposition is out of step with the needs and wants of the people of the province of Ontario, because the report, which was not signed by the

hon. member for York South, states on page 9 that:

It would be in the public interest to increase Ontario's highways budget to permit an increased tempo of construction, and, at the same time, provide a greater financial assistance to struggling municipalities.

That is the report which the hon. member for York South did not sign. Therefore, I can be led to no other conclusion than that he disagrees with that, too.

If I were in any doubt as to that conclusion, on the basis of his not signing the report, then it is confirmed in his remarks, when he was speaking on the report when he proclaimed that the province of Ontario had been running "hog wild" in road construction.

I suggest to the hon. member, he will find it most interesting, when he travels through the province of Ontario, if he tells the people of this province that the government of Ontario is running "hog wild" on road construction; it will be interesting to see the reaction of the people of the province of Ontario.

MR. MACDONALD: I invite the hon. member from Bellwoods to come along at any time.

MR. YAREMKO: I will be watching very closely as the hon. member proceeds about the province.

I noticed a booklet in my library the other day, and I brought it with me, and I am reminded of it at this moment. It is entitled, *How Wrong Can a Political Party Be?* I would suggest to the hon. member for York South that he read it.

He can get a copy if he would write to the *Winnipeg Free Press*.

I say that a political party is only as wrong as its leadership, and if the party of the hon. member for York South is going to get his type of leadership, in regard to the basic needs of the people of the province—particularly highways—that is how wrong the party which he leads will be in its future policies.

Mr. Speaker, the problem of highway finance is a complicated and difficult one. In this we find the hon. member for York South in agreement. The disagreement is this: 10 out of the 11 of the committee came out with an answer to that difficulty whereas the hon. member for York South, I submit, with no answer, if the only solution was the weight-distance application.

We must not permit ourselves to be deluded into believing that the highway problem of financing can be solved in any one way. It cannot, at this stage of highway construction, be solved in one way. The solution lies in the application of several methods of highway financing.

I respectfully suggest that the committee has suggested several methods within this report. Although the report may not be a highly polished one, the answers are within its recommendations.

Not, I suggest, if we take any single recommendation, but if we take the report as a whole, and apply all the recommendations, I am confident that this vexing problem of highway financing will be solved.

To deal with the specific items of the report:

As has been pointed out, this falls into two divisions, the aspect of toll roads and then the aspects of other methods of financing.

We have here the criticism of some people against toll roads. I suggest that any money—paid out by any person—which goes to pay for highways is, in a sense, a toll, whether it takes the form of a few cents of tax on the purchase of a gallon of gasoline, or whether it is a specific toll for a specific single purpose. It is a toll. It involves the payment of moneys in one way or another for the use of a highway—either highways in general, or one facility in particular.

As to toll roads, the toll, as I said earlier, is only an expedient — only one way of answering the whole complicated problem of highway financing;

and hon. members will see that we have made certain specific — that is, the signing hon. members of the committee — have made certain specific recommendations. We have re-endorsed the principles set out in our preliminary report that toll roads, as an expediency, are an answer.

I repeat that, Mr. Speaker, they are an answer — one of the answers.

No one has at any time suggested that they are the entire answer. Some people seem to feel either against or for toll roads. That is wrong. It is when we come to deal with the application of a toll road to a specific situation that the question arises.

The hon. member for York South, in speaking on the report, made to the House what he called a clear-cut objection to toll roads of any kind, anywhere and in any shape or form, and he based his argument on several reasons.

For fear that some of the hon. members, who did not have the privilege of sitting on that committee, might be misled to some degree by his opinions, I should like to deal with some of them.

The hon. member begins by dealing with the economics of toll roads, and says:

I shall sum up, that toll roads are more costly to finance; they are more costly to build; and they are more costly to maintain.

That, I submit, is completely wrong. A highway built to a certain pattern—and the committee went on record on this in its preliminary report — a highway built to a certain standard costs exactly the same amount of money to build.

If we are going to have a completely non-access highway, whether it be a freeway or a toll road, it is going to cost exactly the same number of dollars to build, and the same number of dollars to finance.

It is true that, if there is to be financing on a revenue basis, that the financing may be more costly, but if it is to be financed on the credit of the province

of Ontario — which is the way all roads up to the present have been constructed — it will not cost one penny more to finance such a toll road. It will not cost one penny more to build a road to that standard.

I would not want any of the hon. members — although I must honestly confess I am not too fearful about them being misled — but just to make assurance doubly sure, I would not wish them to be misled as to the hon. member's statement that toll roads are more costly.

Mind you, the cost of collecting tolls is a factor which does not exist on a freeway, but is an additional factor on toll roads.

If the hon. member will tell me that he uses as his criterion for a tax — and the validity of a tax — based on the cost of collection, then I suggest to him that he is completely wrong in voting against the increase in gasoline tax, because I believe — and I am sure all hon. members will agree — increasing the gasoline tax is the most economical and inexpensive way of raising revenue.

MR. MacDONALD: And the most inequitable.

MR. YAREMKO: And the most inequitable; but the hon. member for York South should not try to blow hot and cold. If he is going to say they are more costly to finance he should tell the hon. members it is more costly because of the cost of raising revenue—the toll collection; it is not the toll roads themselves.

As to the costs of collection of revenue, I will deal with that later.

Then, to confuse perhaps one or two of the hon. members, the hon. member went on to say that, in the light of the normal toll fee paid on the American highways, if it were put, in Canada, into the gasoline tax, it would represent an increase of 25 cents per gallon of gasoline.

The hon. member for York South, just to make sure that he is going to put

it across, makes it 25 cents. I have seen the figure of 15 to 20, and 15 to 22. Nowhere have I seen anybody who says 25 cents. But the hon. member for York South is really determined to make his point.

But that is not a compulsory tax, and I suggest that there are people who would be willing to pay in that way to travel over a certain specific facility one, two, 10 or 20 times a year, rather than see the gasoline tax raised to such a high degree to pay for that high-cost facility and yet not be able to use it; because those moneys are used generally across the province.

The people are quite content to pay at that rate because there is the saving in fuel and tire wear. I suggest also that on such road there is a saving on the nerves.

The hon. member asked this rhetorical question:

I would like to ask if there is any hon. member in this Legislature who would willingly entertain for one second that kind of proposition?

I say to him, yes — including himself, I would venture to say — because if the hon. member for York South should ever have occasion to drive to the city of New York — a place I know he is interested in visiting from time to time — I suggest to him that if he should ever have occasion to drive to New York, he will drive along the New York thruway and very gladly pay at the rate of, he says, 25 cents a gallon to get to the city of New York.

Mr. Speaker, I want to say this: that I would not hold the hon. member for York South to his statement about not travelling on the highway if it should be brought to the attention of the House that he goes and uses that highway.

I should not in any way hold it against him; because I have no doubt that he would use it; I have no doubt that almost every hon. member of this Legislature would use this highway; and I think a great many citizens of this

province going to the city of New York by car, will use the thruway.

So, when he asked this rhetorical question, it is a good thing we did not all reply, because we would have had the roof off as everybody said: "Yes!"

The committee made certain specific recommendations. We approve the toll road principle, but then we were confronted with the very great task of making specific recommendations. We came to the conclusion, with respect to highway No. 401, that it should not be tolled. I completely agree with that proposition, but, then because I am fearful of the hon. member for York South charging me with being illogical in any way, when I hope that I can count myself as being a practical and realistic man, I say this:

If, 5 or 6 years ago, this problem had been considered—whether or not highway No. 401 should be constructed as a toll road—and if this committee were sitting 5 years ago, there is no doubt in my mind that the committee would have recommended that highway No. 401 be built as a toll road.

Also, I have no doubt in my own mind whatsoever that had it, 5 years ago, been recommended as a toll road, a year from today, in 1958, highway No. 401 would have been completed from boundary to boundary, and the people in the province of Ontario would have been travelling on the highway and have been very glad to have paid the toll.

But we did not consider it in that way, and there are many stretches which have been built, and many stretches which are in the process of being built.

Therefore, it is not illogical not to recommend it as a toll road. It is practical and realistic; and so realistic and practical that I know of no instance anywhere, on the North American continent where almost thousands of miles of toll roads have been constructed, that one mile of free-constructed road has been turned into a toll road.

If it is illogical, then there must be about 160 million people illogical, and the hon. member for York South is the only one with any logic.

But the committee did approve of the principle that, should any such specific instance arise in the future, a feasibility report be taken and consideration be given, because a toll road is exactly, I believe, what the committee 5 years ago would have recommended.

In order to prevent the recurrency of a situation such as highway No. 401—and there may never be—but in order that The Department of Highways be on their guard against this type of situation arising again, we make that general recommendation.

Then we come down to the specific recommendation that, perhaps, the distance between Toronto and Hamilton merits consideration, and that a feasibility report for a toll road be considered.

That is something which, I believe, should be gone into immediately. There is no question that the present highways No. 2, the Queen Elizabeth, and No. 5 are overcrowded. There is some doubt as to whether highway No. 401, on its completion from Toronto to London, will provide any alleviation.

I do think we will be confronted with the dire necessity, in the very immediate future, for an expressway between Toronto and Hamilton, and an expressway which will cost many millions of dollars, because if it is built as I conceive it, and as I think a great many hon. members conceive it, it will be an expressway from Toronto to Hamilton with very few points of access to it.

I visualize, and as we state in the report, this inter-urban highway as a total expressway, and with expressways leading right into the heart of the cities of Hamilton and Toronto. We believe the province should bear the cost of the construction, except perhaps, the right-of-way.

That is a very important aspect. The whole thing is tied in together, the urban

expressways and the inter-urban expressway between Toronto and Hamilton.

There is at the present time, in this city of Toronto, a great deal of concern about the question of subways and expressways, and it is my personal belief that the subway will, to a great degree, do away with the need for an expressway. Perhaps the government will see its way clear in the future to participate in the construction of a subway. The hon. member for Bruce (Mr. Whicher) may not agree with that.

But I know the hon. member for York South must agree with it because the hon. member for York South and his party advocate that the province should pay half the cost. But then when it comes to the question of how to raise the moneys, they vote against it; vote against the province increasing its revenues.

These are primarily for highways, but highways are only one form of transportation, and the needs of this province and the various municipalities are such that the province may come to the conclusion that it would be wise to pay for subways and alleviate or remove the necessity for expressways.

In any event, if and when this toll road is built between Toronto and Hamilton, there is no doubt about the necessity of parts being built right into the cities as part of the highway, but free to the people within the municipality, in order to prevent an expressway coming to the boundary of a municipality and then "dumping" into it a tremendous amount of traffic.

I suggest that this committee has been very realistic in its approach; it has sifted the evidence and has come down with this one specific recommendation because 10 of the 11 hon. members are practical, reasonable, realistic men.

It is suggested that the committee is not reasonable because they proposed that the Atikokan causeway be not built as a toll road, but the committee is not illogical, there again they are practical.

It is heart-breaking to a committee, that recommends a toll road, to be confronted with a situation where the people say they would be glad to pay tolls, yet the committee recommends that it be built as a freeway.

Why? Because, as the committee knows, that road will not pay for itself by tolls. I personally am doubtful whether reasonable tolls would even pay for the cost of collection at the present time. But the committee did recommend it as a development road because this whole report is based on the clear thinking of all of the hon. members of the committee except for one, the hon. member for York South. It recommended these highways should be built on a provincial basis, that we do not think of building a highway for area "A" or area "B", but that we satisfy the needs of the province and deal with the province as a whole.

The committee found itself in a position where even though the people said they would be only too willing to pay tolls, because we are practical, realistic men, we are forced to recommend it as a development road. The road must be built, and we know that the tolls would not in any great way help to pay for it. But it must be considered as a development road, so that is why it recommended that the road be built as a freeway. Nothing illogical there, just practical men applying their practical common sense to a realistic problem.

Again we come to another point of this agreement. The committee has as a whole recommended the tolling of the Burlington skyway, and the possibility of tolling any future bridge to be built across the Welland canal.

Here again, it is a case of practical men being realistic. It would be only too easy to say, "Let us build it as a free bridge."

But I suggest, were we to recommend that, we would be escaping our responsibilities.

We were asked by the Legislature to study a highway problem and to deal with it, and to come up with our sug-

gestions. As I said earlier, we dealt with it, we came up with what we think is the answer, and the answer, we feel, is that the Burlington skyway must be tolled.

Although nobody wants to be tolled, we recognize that if the moneys we spend on the Burlington skyway are to come out of the general revenues of the province, there is going to be \$20 million less to be spent on the highways in the remainder of the province.

If the hon. Leader of the Opposition (Mr. Oliver) is so concerned about highway No. 401 being built within his lifetime, I suggest to him the only way that highway No. 401 can be built within the reasonable future is by spending money on it. If we spend the dollar once, we cannot spend it again.

It will be interesting to see whether this reasoning will go through the minds of the hon. members of the opposition. I have no hope for the hon. member for York South, but I think, there is some hope for the Liberal opposition.

If there are millions of dollars to be spent, these millions must come from somewhere, and surely if a bridge is going to be built which will cost \$20 million, there is almost no chance of the province participating in any degree, because it does not have the money. We cannot blow hot and cold: if we suggest the province should do something, then we must suggest where the revenue must come from.

I would be interested in hearing, and perhaps I will, where the hon. member for York South expects to raise the money which he says should be spent.

MR. MacDONALD: I said so many times, why do we not raise the amount of money by the alternative suggestion? That is my criticism of the government, they did it the easy way, and the inequitable way.

MR. YAREMKO: We did it the hard way. The hon. member for York South has really a one-track mind, he thinks the whole answer to this problem,

the whole highway programme in this province, lies in a weight-distance tax—that, only that, and nothing but.

I might say when the hon. member states his agreement or disagreement with the report, he should rise in this House and say: "Mr. Speaker, all the objectives of this I am in disagreement with, except one single paragraph"; that is what it amounts to, the weight-distance tax.

MR. MacDONALD: The hon. member for Bellwoods is talking about a one-track mind. He is saying it now.

MR. YAREMKO: I would be very much interested in hearing any other point of agreement other than the adopting of the weight-mileage tax and the differential fuel tax which has already been put into effect by the government.

It is true, that if one spends a dollar once, he cannot spend it a second time. If the Burlington skyway is to be put through as toll-free, there is going to be \$20 million less to spend on other highways.

The hon. member for York South will not convince me, and I do not believe will ever convince any other hon. member of the committee or of this House, that the application of the weight-distance tax will ever raise the \$20 million needed for that one particular item. Therefore, we have come to those conclusions.

Then, of course, within the enlarged scope of this reference, the committee dealt with highway financing in general, and it came up with several recommendations, which are set out on page 47.

A recommendation was made that the gasoline tax in the province of Ontario be increased. The committee did recommend it; they did not recommend to what extent it be done because they realized, within the scope of their information, it would be difficult to know exactly what would be necessary, except that we did realize that a one-cent

gasoline tax would mean an additional revenue of \$10 million.

I am convinced in my own mind that the people of the province of Ontario will accept this recommendation, because everywhere we went through the province, people did admit — hesitatingly, I may say, in some cases, because nobody welcomes an increase in taxes with open arms — but the people did admit, “build the highways, we will pay for them.”

I am sure they will accept that increase on the basis that they will see an expansion, and an acceleration, in the highway programme.

I should like to refer to an alternative recommendation which the committee made: that the province borrow moneys by means of a bond issue, to pay for an accelerated highway programme.

So mixed up is the thinking of the hon. member for York South that, in using that expression of which he is so fond, in paying “lip service” to toll roads, he said:

it even goes further. It has backed away from the principle of tolls as a means of financing to the extent of making an alternative proposal which is set out in detail.

I do not know how the thinking of the hon. member goes. That is not an alternative. It is an additional proposal. Each recommendation is not alternative to another as being, say, opposed to another. Each recommendation has its part to play.

The bond financing will have its part to play, if the government decides to accelerate its highway-construction programme to such a high degree that it needs literally hundreds of millions of dollars to spend at one time, but to be raised over a period of time.

If the government accepts that, and borrows money on a bond issue to build the highways, then it will of necessity be compelled to allocate a certain proportion of its highway gasoline revenue to paying off that bond issue.

If we are going to increase and accelerate our highway construction programme, then the increase in gasoline tax, and other increases, must come along.

We recommended, Mr. Speaker, recommendation No. 4, and I believe that the other hon. members of the committee have very adequately dealt with this section, that because of differences in the effectiveness of different fuels, there must be a difference in the tax payable.

There is no desire on the part of the hon. members of the committee to hinder progress, or to stop technological advances, or to prevent someone from adapting new methods of propulsion. We may all find some day that our vehicles are being powered by atomic fuel on the highways. No hon. member of this committee is going to be against it.

But if that is going to prove to be the case, certainly if those roads are going to have to be paid for, built and maintained, some other measuring stick will have to be arranged in order to be able to tax atomic fuel.

We have discovered that there is a variance in the diesel fuel, and the government has very wisely accepted this recommendation of the committee in taking care of that factor. That is the factor in the variance of the amount of miles that a certain fuel will give to a certain vehicle.

We suggest that, in diesel fuel and other fuels, a method of taxation of fuels be developed so that, regardless of what fuel is being used, the per mile tax—the amount of tax paid by the usage of that fuel—will be the same. I suggest that the hon. Provincial Treasurer (Mr. Porter) has carried out that principle. I am waiting to hear the hon. Provincial Treasurer get a pat on the back for that from the hon. member for York South.

That is one variance which has been taken care of, but there is another which the committee believes exists, and that is set out in recommendation No. 7, which is to take care of the vari-

ances between the number of ton-miles that a vehicle gets while travelling along our highways.

I will say in this respect that the hon. member for York South did give a very good example. If all the vehicles were exactly the same weight, and carried the same weight, we would not be confronted with this problem. But because there is such a variance in the weights of vehicles, and because those variances have a direct effect on the type of highway that has to be built, and how it has to be maintained, those variances must be taken into consideration.

We cannot move too quickly and if hon. members will refer to the figures on the table on page 50, they will see what has happened between the years 1952 and 1956. In 1952, in the category of vehicles from 12 to 13 tons it went from 171 in 1952 to 1,728 in 1956; a 10-fold increase. In the category of 13 to 14 ton vehicles there were 87 in 1952 and 7,306 in 1956, an increase of almost 100-fold in 4 years. In the 18 to 19 tons category, the figure rose from none to 2,178.

What has happened in the past 4 years is a clear indication of what is going to happen in the future.

Therefore, having taken care of other variances, it is the recommendation of the committee that an immediate study be made in order to make sure that these variances will be taken care of, because there is no doubt in my mind at all that, at the present time under the present systems, the heavy trucks are paying less for the use of the highways than the other ordinary vehicles.

It is also significant that, at the same time the toll roads committee was sitting and making its deliberations, the Gordon commission was also sitting and had recommendations made to it; and the Gordon commission came up with exactly the same conclusion. They suggest that it is important that studies be made to determine tax and licence fees, so that owners of passenger vehicles and operators of different

classes of commercial vehicles should be charged respectively, having regard to the proportion of total cost which should reasonably be allocated to each of them.

If the owners of vehicles in any category are paying less than their appropriate share, the owners of other vehicles may be paying more than their fair share.

I suggest that it is a good thing that this committee sat, and highlighted the significance of this particular problem which will be confronting this province more and more as the months and the years go by.

Accordingly, the committee has come up with the recommendation that immediate steps be taken in order to take care of any variance and any inequity which applies in that regard.

In summing up, this report should be read as a whole. There are many recommendations made by this committee, and I must include myself, because I was a member of the committee. But I feel the committee which dealt with this was confronted with a very serious problem, and have come up with the answers.

In conclusion, I must say that they decided that toll roads are not the only answer to the highway problem. I believe this is the crux of the difference between myself and, perhaps, other hon. members of the committee, and the hon. member for York South, who did not sign the report. He says that the weight-distance tax is the whole answer. We believe that it is only one of the answers, and in order to find a complete and final solution, all the aspects should be dealt with.

MR. MacDONALD: That is not my belief; just to keep the record straight.

MR. YAREMKO: Then, Mr. Speaker, we will be looking for—

MR. MacDONALD: Shall we say "clarification."

MR. YAREMKO: "Peace of mind," although it does not disturb me too much, but I do not want to be misled, and would like to know specifically whether the hon. member agrees or disagrees. It is my belief that he thinks the weight-distance tax is the answer, and that the variable fuel tax is a good recommendation.

I think the hon. member for York South believes in these two recommendations but I do not know; the hon. member has not let myself or any hon. member know whether or not he agrees with any other part of the remainder of the report. He does not believe with the basic premise of the report, that this province needs highways, and they have to be built, and that the people are willing to pay for them, because his basic premise is that we have already gone "hog wild."

If I am wrong, I would appreciate it if the hon. member for York South would rise and clarify, if not my thinking, then at least his own, because, Mr. Speaker, there is a highway problem.

The hon. member for York South is confused when he says an undue proportion of our money is being spent on our highways. Not an undue amount—every dollar obtained from the highway revenue from gasoline tax, licence fees, etc., are turned back into the highways. If the hon. member believes we should put the money obtained from gasoline taxes and weight-distance taxes into paying for the building of schools, then let him rise and say so, or he should say that highway revenue needs to be raised because the roads need to be built.

It was an extreme pleasure to me to be on this committee, because I found all the hon. members recognized the seriousness and difficulty of the problem and applied their common sense as practical and reasonable men, to provide a blueprint for the financing in full of the highway plan which is to be blueprinted by the hon. Minister of Highways (Mr. Allan) in the near future for us.

MR. J. A. C. AULD (Leeds): Mr. Speaker, this afternoon I hope to confine

my remarks mainly to the highway financing portion of our report and, more particularly, to sum up the problems that exist at the present time in relation to the allocation of tax responsibility amongst various types of vehicles using the highway.

First, I would like to read a portion of a press release from the Dominion Automobile Association because I was rather interested to see it, particularly after reading some of the contents of other automobile associations. It may be that many of the hon. members have seen this.

Mr. R. W. Trollop is speaking for the association, and, I quote:

The association is satisfied with the report,

and further on says:

With regard to the financing proposals recommended in the report and the hike in the gasoline tax now burdening the Ontario motorists, they felt that, although this was bitter medicine, it could be swallowed if the result was a much hoped for improvement in quality and the state of the repairs of the highways.

Mr. Speaker, that is a thing I would like to speak about this afternoon.

First, who shall pay for the cost of our highways? Since this afternoon seems to be an "open season" on the hon. member for York South, I would like to surprise him and say I am in agreement with him in some things.

MR. MacDONALD: Hear, hear.

MR. AULD: But not in everything by any means.

It is generally agreed that the total highway cost should be divided between the direct users on the one hand, and the so-called general economy or economic benefit on the other; and the making of this division of course is the first problem.

Back in 1932, when the Duff commission made its report, they suggested at that time that about 34 per cent. of the cost of highways and roads, and so on, should be assessed against property, and the remainder against the user.

In the Ohio interstate study in 1952, their recommendation was that approximately 20 per cent. should be charged against property and the remainder to the user.

I think the difference between those two reports, even though they are based on two different circumstances in different jurisdictions, points up very graphically what has been happening.

On page 37 of the report is set out briefly the changing role of highways in the past 20 or 30 years. I do not propose to read it all; no doubt hon. members have seen it. Suffice it to say that, what was originally completely a service to property, years ago, has today broadly speaking become primarily of benefit to the user.

Of course that holds true to a greater extent for one type of road than it does for another, and that is one of the difficulties in making such a division.

We have all seen what happens when, say, a township road has a drive-in theatre built beside it. Up until the day that theatre opens, there might be 5 or 10 vehicles a day on that road, and the road was primarily, probably 95 per cent. a service to the property which abutted it. But as soon as some attraction which is reached by automobile, or, for instance, a manufacturing plant, is built on it, then the whole character of that road changes.

For that reason it would be very difficult for anybody to prove exactly what the division of cost should be as between the user and the general economy.

One consideration must be kept in mind, because I think it is of major importance.

In the form of roads, the government is furnishing one large and important element, a full-scale transportation serv-

ice, competitive with other transportation services which are in the main privately managed and financed. Ordinary economic prudence dictates that each transportation agency bear the full economic cost of its operation, if traffic is to be allocated among these various agencies in relation to the economy and the suitability of each.

This question of sharing the cost between users and property must, of course, be under constant review.

The new Department of Transport, which the hon. Prime Minister (Mr. Frost) has announced he is setting up, would, I think, be the ideal agency for doing that very thing.

Probably, with the highways-needs study, which has taken traffic counts on many roads, there has been compiled for the first time a statistical analysis, perhaps, of the type of construction of the King's highways and secondary roads in the province, and bridges, and this probably could be used as a basis for such a statistical study of this question of division of cost responsibility.

The second problem is the one that stems from the first — that is, once it is decided what the users' cost should be, how do we divide it up amongst the various types of classes of motor vehicles?

Perhaps it is a fair observation that the present system, not only in Ontario but in many other jurisdictions in North America, has grown like Topsy over the years. There has been at various times an attempt to equate these cost responsibilities to the various vehicles, but there has been very little factual information on which to make a decision.

There is one thing on which every hon. member agrees, and that is that highway costs are directly related to the weights of the vehicles travelling over them.

In that connection I would like to make one comment, which was not in the report, and which I hope the hon. Minister will consider. It concerns the

matter of passenger vehicle registration fees in Ontario.

It has puzzled me, in view of this weight factor, as to why it should be that two cars of the same make, and probably within 30 or 40 pounds of each other, one being an 8-cylinder car, pays an annual registration fee of \$21, and the other being a 6-cylinder model, the same body style and from the outside identical to the other, pays \$14.

I might say that I am in the happy \$14 category, and my car weighs considerably more than some of the 8-cylinder cars that are around. However, I know I am safe for at least a year.

Once a decision has been reached on equating the cost as between the property, or the general economy, and the user has been reached, then we come to the problem of dividing it between the various weight classes of vehicles using the highway.

As has been pointed out in the report, and by various hon. members addressing the House, the gasoline tax has many advantages. It is a very reasonable and a very easy tax to collect, because by far the greatest percentage of gasoline is used in motor vehicles. It is not used greatly for other purposes, and the problem of evasion and so on is fairly small.

Now, equity in taxation as between vehicles through gasoline tax is generally agreed to exist, until we reach about 18,000 to 20,000 pounds. This is where I would like to disagree with the hon. member for York South, who stated in the House the other day that the two-cent gasoline tax increase, which the government had announced, was compounding an inequity which many people feel exists at the present time.

That would be quite true if it were not for the graduated system of licence fees which is paid on heavier vehicles. It may be that many heavier vehicle owners are not paying their share, but nobody at the present time, I submit, is in a position to prove it. There are many people who hold this opinion but nobody can prove it.

What can be proved, and it is not difficult to do so, is that there is a definite inequity as between vehicles of the same class, when the tax is based primarily on an annual fixed fee.

It does not take any mathematician to figure out that if the owner of one vehicle is paying \$1,000 a year in registration and public commercial vehicle fees, and is driving 100,000 miles a year, and the owner of another vehicle of exactly the same weight, which obviously would be charged the same registration fee, is driving only 10,000 miles a year, that the owner of the vehicle clocking the lower mileage is being taxed 10 times as much, as far as the registration fee is concerned.

That is one reason why the stand of some of the trucking associations has puzzled me, because it would seem to me that if the system of taxation or payment for use, which is really what it is, based on mileage, can be worked out—and it has been worked out successfully in some cases—that everybody should be interested in that system. As I say, I am puzzled at the stand which has been taken by some commercial operators in some jurisdictions.

In getting into this question of how this users' share of cost should be allocated, may I refer to a publication of the United States National Research Council. While I do not propose to read from it, I recommend it to many hon. members and particularly the hon. member for York South who, I think it is fair to say, has criticized the government very severely for not, tomorrow or next week, introducing as a first step some sort of variable fuel tax, and as the next procedure a weight-distance tax.

I think, he should read this one volume, a publication of the highway research board, on road test No. 1-MD—in Maryland, which was a test calculated to find out something about concrete pavement. I also have here the WASHO road test report—and by the way those initials stand for the western association of state highway officials—which involved a case of test road built in order to have varying loads driven over it under all conditions the year round.

Various progress reports are also given, which have been made from the AASHO road test—that is, the American association of state highway officials. In this test, a \$14 million stretch of highway is being subjected to tests under rigidly controlled conditions.

If the hon. member for York South were to read those reports he would realize that, while certainly some taxation system based on mileage, particularly with heavy trucks—for, after all, the gasoline tax is based on mileage and it is only when we get the larger vehicles that it does not work out fairly—some such system has been widely discussed, he would see that a great deal has still to be learned as to exactly what costs are incurred in a highway, either of capital construction in the first place, or in maintenance costs afterwards.

There was one particularly interesting thing about the WASHO road test, which struck me very forcibly. When this road was designed, the association asked for, and received, from something like 19 of the state highway departments which are members of this association, specifications as to how these test roads should be constructed. In other words the association gave the various state highway officials soil samples and all technical information necessary, told them the actual loads they proposed to drive over this road, the number of times a day they would be used, the temperature conditions and so on.

The average of those 19 designs, if we want to call them that, was pretty close to what was finally decided on. But that varied from the high end of the designs, if I may use that term, where it would be extremely expensive, so that it might have cost twice as much, to the low side which would have stood up for only a quarter of the length of time.

In other words, there is still a great deal of difference of opinion amongst engineers as to exactly how roads should be constructed to stand up to the various types and conditions of traffic which we have.

There has been in the press a good deal of comment about so-called mileage

taxes. On page 52 of the report, the various methods which our committee was shown and about which our committee learned, are set out. I would just like to say a word about the 3 methods which have been or are under most active consideration in the various jurisdictions in the United States.

First of all there is the so-called ton-mile tax, which as far as equity is concerned is the millenium—except that it is administratively impossible. There are two variables in this tax. One is the weight which the vehicle carries, the other is the distance it travels; and in theory, as a truck drives along, its driver pays a certain rate, for every pound, for every mile it travels.

Obviously this cannot be worked out, because every time the truck stops and discharges a bag of flour or some other article, the weight changes. And every time it stops and picks something up, the weight changes.

That tax, with a certain number of variations, was adopted in some of the states of the union in the late 1920's and early 1930's, and most of those states have since dropped that type of tax because it could not be administered.

The next is the system which is in use in Ohio, called the "axle-mile" tax. In this type, they have taken a constant, for one of those variables. In other words they say if the vehicle has two axles, the driver does not pay any extra rate. If it has three axles, it is figured that in that way one must be carrying so much more, so that it brings that vehicle into a rate of X mills per mile, when the mileage is reported.

There are certain inherent weaknesses in that type of tax, and certain obvious advantages. It is easy to tell how many axles a truck has—one does not have to weigh it, one just looks at it—but it does have a tendency to make operators put the maximum load possible on the axles they carry and this, of course, means much more damage to highways.

The third method is the system which the committee recommended for adop-

tion, after the necessary studies have been completed, and that is the weight-distance tax.

In effect, this is a tax based on the gross licenced weight of the vehicle, a tax of so many mills or fractions of mills per mile reported.

To set up this rate, a factor is taken of the average weight of the vehicle—say a factor that most vehicles are 60 per cent. loaded—and that factor is applied and multiplied by mileage.

It is still not completely equitable, because of the fact that this factor is applied and some vehicles may run all the time perfectly full, other vehicles may carry the maximum load only 10 per cent. of the time they are on the road. But it is an approach, and in my opinion a great step forward from a system based on an annual flat fee.

Mr. Speaker, in talking about the weight-distance tax, I think there is one thing hon. members should keep in mind, and that is that great advances have been made in the various methods of producing motive power, particularly in the last 10 years.

Hon. members of our committee have mentioned in committee, and I think in this House, the United States submarine which is atomically fueled, and refuels every 2,500, or I think it is 25,000 miles — some fantastic figure, anyway — or every two years.

I am not suggesting we are going to have trucks powered by atomic power tomorrow, but at the present time we have vehicles powered by two types of fuel, and it is certainly quite reasonable to suppose that there will be other types which are far more difficult to tax and assess than gasoline. We have had some experience of that in respect to diesel fuel.

I would like to read just one small part of the Maryland road test, which had to do with single and tandem axles, not because I am an engineer or that I think hon. members are, but to show one of the facts which struck me as most interesting among things which we found out in these investigations.

In the Maryland road test, it was shown that for approximately a 25 per cent. increase in weight, single axle—that is from 18,000 to 22,400 pounds—a 550 per cent. increase in road damage resulted.

And here is the part which surprises me particularly, on tandem axles, an increase of 40 per cent. total load—that is from 32,000 to 44,800 pounds—gave a 1,125 per cent. increase in road damage. In other words it showed that the popular theory that tandem axles can carry twice the load that a single axle can, with no great damage, is definitely not the case.

In closing I would like to sum up my greatest disagreement with the hon. member for York South, who probably will be saying something about this matter later.

In my opinion it is patently impossible to set up any sort of well-founded weight-distance or variable fuel tax until such time as the various and the necessary investigations have been made, particularly as they relate to our province.

I do not think that any hon. member of this House would suggest that we should take a system which perhaps, and perhaps not, has been inaugurated in some other jurisdiction, and applied here “holus-bolus,” because conditions can vary tremendously. Any system which is a radical departure, if it is going to be successful in the long run, has to be well founded.

There has been a great deal of comment in some sections of the press on some increase in diesel fuel tax which the government adopted.

I might say in passing that it was interesting to me to see the opposition from the automobile transport association on this matter. I think all hon. members of the House have read their brief. If they oppose the increased diesel fuel tax for the reasons which they state, then they are in effect agreeing that some sort of weight-distance tax is the fair tax.

They cannot argue about a tax on the one hand that it is impossible and unfair, and "you cannot do it" and then on the other hand argue, when that type of tax is put on, that it is penalizing technology progress and so on.

MR. MacDONALD: That is the way the truckers' lobbyists always argue in the United States.

MR. AULD: We are talking about the truckers' lobbyists here.

MR. MacDONALD: We are starting to argue that way right here.

MR. AULD: Mr. Speaker, the hon. member for Riverdale (Mr. Macaulay) covered that the other day. I do not like to see anybody making any suggestion in Ontario that the truckers here are up to all kinds of "skulduggery" and so on. They are certainly like any other group — like the hon. member for York South's group, who argue many things which we do not agree with. They will argue from their point of view, and no doubt they have some sound arguments. Other people will argue from other points of view.

It is obviously the role of the government to decide on the merits of the case after listening to all the points of view. It seems to me that is the way responsible government operates.

However, I am away from the diesel fuel tax. I would like to quote just a few excerpts from a few reports from the United States where investigations have been made on this very question. The report of the California collier commission in 1946 stated on page 80:

The board of equalization collected data from a number of truck operators which show that the ton-miles of operation per gallon of fuel were 57 per cent. greater for diesel trucks than for gasoline-powered trucks.

The state of Washington publishes a report entitled *Taxing Washington's*

Motor Vehicles Equitably for Highway Services, and this appears on page 103:

The conclusion appears only valid that a marked fuel economy exists in favour of the diesel powered units, which, unless a differential fuel tax or gross weight fee is applied, creates an inequity in the highway user tax structure.

I might say that Dr. James C. Nelson, who wrote that report, also added:

Diesel truck owners should pay 3 times the gross weight of fees now paid by gasoline truck owners or pay a fuel tax about double the present gasoline tax.

In the state of Michigan, Richard M. Zettel, who is possibly one of the most well known of the highway tax consultants in the United States, said in a report to the Michigan legislative highway study committee in 1955:

The general consensus is that a differential in the diesel fuel tax rate over gasoline on the order of 50 per cent. is warranted.

The report of the New York state joint legislative committee on highways, canals and revenues, in 1951, says, on page 53:

It is believed that a 50 per cent. increase is definitely favourable to the diesel-powered vehicles, but data are not conclusive enough to establish a larger differential at the present time.

Along the same lines is a report from the Ohio programme commission in 1951, and in the state of Iowa, the Iowa free roads association, 1955, and the state of Virginia, Senate document No. 13 — all these reports agree that something along the order of 50 per cent. higher taxation should be applied to diesel fuel to bring it into something approaching equity as compared with gasoline users.

I do not propose to go into the report any further. I think that other hon. members of this House and of the

committee have spoken on many phases of the report; but I would like to pay my own tribute to our chairman, the hon. member for London North (Mr. Robarts) who in the opinion, I am sure, of every hon. member of the committee, did a most capable, and in many ways, remarkable job under a great deal of pressure, particularly starting last fall.

Also, without the assistance and the spade work and the arranging and a good deal of assistance from Donald Collins, our secretary, I am quite sure our report would not have been possible at all.

MR. G. T. GORDON (Brantford): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

ADDRESSES IN REPLY TO THE SPEECH FROM THE THRONE

MR. D. J. RANKIN (Frontenac-Addington): Mr. Speaker, I wish to add my commendations to the many that have been so justifiably given for the able manner in which you handle your duties of office.

I think my first appearance in this chamber was in 1912. As a small boy, I sat in the Speaker's gallery and listened to the then Leader of the Opposition, the hon. Mr. Newton Wesley Rowell, and one of his "fans" attempted to applaud with a book on the rail.

I still remember that because of the fact that an usher was sent to eject her from the gallery. I still remember the thrill I got at seeing this usher coming over and attempting to eject this over-enthusiastic follower of Mr. Rowell.

I represent the riding of Frontenac-Addington, which includes all the county of Frontenac except Howe and Wolfe islands, and all of the county of Lennox and Addington, north of the township of Ernestown, an area of about 40 by 100 miles.

The southern part of this riding, which is adjacent to the city of Kingston, is farming country, and many of the residents have been turning from farming to working in the various industries which have started in Kingston since 1940.

The growth of industry in Kingston and in the surrounding area, along the shores of the Bay of Quinte, are changing the whole aspect of my riding, and I foresee this whole area, extending along the Bay of Quinte to Picton, some day becoming a large industrial centre.

I have Old Fort Henry in my riding, that fortress built in the 1830's to prevent the intrusion of American troops into Canada, and restored about 20 years ago by the hon. Mr. McQuesten, to whom I would like to pay respect for his vision in restoring such an historic monument. This area around the waterfront was well known to the earlier French settlers, situated as it is at the junction of the Cataraqui and St. Lawrence Rivers. It was settled by the early United Empire Loyalists who came to this country, and many of their descendants are still living along the old Bath road—the first road in Upper Canada.

I would think that the province, with its committees on historical facts and information, can do even more than they have done in picking out things which should be preserved in this area, before the changing country wipes out many of the landmarks that have been there for well over 160 years.

The central and northern part of my county is the eastern extremity of the type of country which extends from Georgian Bay through Algonquin Park and Victoria counties to the Rideau Canal. This is a rugged country filled with beautiful lakes and has, in the past, produced a fair crop of timber. But it is rough, and many of the early English, Irish and Scottish settlers who came there have found that it is not too productive. These people have been thrifty.

To the northern part of the county, we have people of German extraction

who came in through the Ottawa valley, and who have proved to be thrifty citizens. That once-timbered country was isolated, with no highway. It had very few rail connections, but about 1930 the government decided to build No. 7, No. 41 and No. 38 highways, and these have brought these people within reach of the larger centres.

They had only public schools over a great area, and were gradually finding it more difficult to make a living. Then, in 1943 and 1945, when the Drew government enunciated the policy of bringing equal secondary education to all pupils either in cities or in the rural areas, the first big boom came to my county.

The county had been organized as one high school district, and there was one high school in Sydenham, about 20 miles from Kingston, and the children had to get there the best way they could. A certain number of the children came to Kingston by milk truck and so on, and unless their parents could afford to board them in the nearby towns, they got no secondary education.

I was a member of the board from 1937 to 1953, and the Sydenham high school had about 125 pupils and about 200 others attended Kingston, Perth, Tweed and so on. With the new policy brought in at that time, the high school board was able to proceed with the building of a new school at Sharbot Lake, and to inaugurate a bus transportation system that brought education within reach of the great majority of children in the county.

We now have over 200 attending high school at Sharbot Lake; over 400 at Sydenham, and are building a new school and expect to have 300 or 400 pupils within the next year.

The bus transportation in the remote parts of the county has brought schooling within reach of the children who are growing up in the county, but few of them would have had any means of livelihood except with a pick and shovel, except that they will have the advantage of getting a secondary school education,

and then go out in the world and compete with other children in towns and cities.

We hope some day that many of these pupils will reach positions of distinction in our world of commerce and politics. Some of these pupils travel as far as 35 miles a day to school, and they have to get up at 6.30 in the morning, before daylight, and proceed over treacherous, icy roads to high school.

My constituents would like to bring to the attention of the hon. Minister of Highways (Mr. Allan) that there is still room for improvement in our roads in Frontenac county. The department has been of great assistance, but we still have rough terrain, and there is need of more expenditures to make our roads easier to travel over.

The Department of Lands and Forests have done a very good job in our county. Their biologists have come in and are checking our various lakes for temperature and food possibilities, and they are stocking the lakes with fish that will progress. These lakes are becoming a haven for a great many American tourists.

The building up of tourists camps is providing a livelihood for the people who live in that county, and with our growing population in Canada, and the proximity to the American border, we can see that the improvement of roads in the county and the tourist industry in the riding will go a long way in providing for the proper support of these people.

In this area we have many sites for public parks, and The Department of Lands and Forests is now proceeding with plans for taking over our parks. I would like to urge upon them the many ideal locations in my county for government parks.

The lake fronts are becoming congested with people from the city who go on Sunday picnics and so on, and we need an area in that part of the country to take care of these people who go for their Sunday picnics and fishing trips,

as well as for any American tourists who proceed to our country over the international bridge.

I would like to urge upon the government the early advisability of locating a park in that area.

I would also like to commend the district agricultural representative who has been in our area for the past 10 years.

He has done a great job with the 4-H club work. With the growing of our high schools, he has taken practically all these pupils into these clubs, and has initiated an interest in the various projects which these pupils will study to give them a basic interest in their future livelihood.

Thus we are proceeding with agricultural work.

I have attempted to bring to the attention of the House a few of the problems of my riding, and I will not speak any further at this time.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, may I first congratulate the hon. member for York West (Mr. Rowntree) on his election and on his maiden speech in this assembly.

I am quite sure that all the hon. members of the assembly will admit it is quite an ordeal to make a maiden speech in the Legislature, but I think he did very well for the first time, and now that he has his feet wet, we hope we will hear from him more often.

To the hon. member for Port Arthur (Mr. Wardrope), I want to extend congratulations. Some of the hon. members of the assembly might think he was most unfair in criticizing the federal members of the cabinet, particularly when they are not in the assembly.

Mr. Speaker, I want to pay my respects to you, and thank you for your co-operation and assistance which is always given so freely.

I want to devote a moment or two to the problem of the municipalities, and I think I can speak with some knowledge

of municipal government, having been a member of the local government in the township of East Whitby for 9 years.

I believe that local taxation today has just about reached its limit. It is very difficult for many people in these local municipalities to meet their taxes, and yet we are experiencing buoyant and prosperous times, but if a levelling off should take place, then I feel a good many people would lose their homes.

Because of a backlog of work during the war and because of the need for capital works projects, and because of the increased industrial expansion, local councils are now finding it very difficult to finance these projects. Even good risks, like some of the larger municipal governments, find it increasingly difficult, and if they do wish to borrow money on the bond market, they are charged anywhere from 5 to 6 per cent.

I would suggest to the government that this will have only one effect, and that is a curtailment of work badly needed, and the consequence would be increasing unemployment.

In fact, one can pick up the daily paper and find where municipal councils, particularly this last month, in estimating the amount of money needed to finance the administration for this year, have been compelled to cut back their works projects because of the difficulty in obtaining loans of money on the bond market.

It is expected that, in 1959, the great St. Lawrence seaway will be completed; the Ontario Hydro project will be in operation, and the laying of the gas lines in northern Ontario will be complete. These 3 great projects cost over \$1 billion. I am quite sure we all agree they are needed and will be a valuable addition to the progress of this country.

But in order to take advantage of these undertakings—especially to take advantage of this great industrial expansion—the local governments must be in a position to obtain money at reasonable rates of interest.

Yet, particularly this last 6 months, this has been increasingly difficult to do.

This is mainly because of the inflationary trend and through the policy of the federal government.

But I must confess, Mr. Speaker, that the provincial government is doing very little with respect to this. I agree that we have the municipal improvement corporation from which any municipality, if it is difficult for it to obtain loans of money on the bond market, can get money. But, even there, I would suggest the interest rates are far too high, at $5\frac{3}{4}$ per cent., I think, for 5 years up to $6\frac{1}{2}$ per cent. for 10 or 15 years.

I do not think that any municipality would be justified in borrowing money, even from the improvement corporation, unless it was for work of the greatest urgency, or work that was immediately imperative.

The only redeeming feature I find about that improvement corporation is this:

I have been given to understand from the hon. Minister of Municipal Affairs (Mr. Warrender) that the municipalities can redeem those debentures before maturity if the money market improves.

I believe something must be done, and done immediately, in order that the municipal governments can take advantage of these great projects that are to be completed in 1959. The position at the present time is ridiculous and absurd.

It is just like a mother and father buying a baby a gold-plated baby carriage, and then starving the baby. How absurd, to build from the top and ignore the bottom, and this is exactly what we are doing today — ignoring the needs of the municipal governments.

I want to mention one paragraph in the Throne speech, which I think stresses the need for action.

Looking ahead, no abatement in the need for provincial and municipal capital works is in sight. Indeed, any slackening in development could only limit Canada's economic future.

Some assistance is required immediately, and I want to suggest that if the tremendous surpluses of the federal and provincial governments, which are likely to be reported for the fiscal year ending March 31, 1957, could be made available, perhaps on a per capita basis, to the municipal governments, either free of interest or at very low interest rates, it would have the effect of easing the present tight money situation.

In view of this, I believe the present policy of the federal government regarding inflation is an antiquated one. To my mind the only solution, the only effective way the government can stop the present inflationary trend is by a system of controls.

Frankly, it is of no avail to appeal to some sections of the population. We must realize there are some people — and, Mr. Speaker, I emphasize the word "some" — in industry today who believe in taking all the traffic will bear. Therefore, I believe controls would be the only effective means of overcoming the present inflationary trend.

I want now to speak for a moment on the equalizing of assessments. The quotation on the subject from the speech from the Throne is as follows:

The government's policy designed to bring about the equalization of municipal assessment for determining has made excellent progress. But this work will have to be accelerated.

I do not think that "excellent progress" has been made. For over 11 years, the department has been trying to get the local councils to agree on the manual of assessment published by The Department of Municipal Affairs. The county of Ontario introduced the equalized assessment method in 1946, and after 11 years, there are some parts of the province not assessed on the manual.

I believe the hon. Prime Minister (Mr. Frost) and the hon. Minister of Municipal Affairs are disappointed in the progress made. In 1953, when

speaking on assessments, the hon. Prime Minister stated:

It is a very difficult matter to find the right method of assessment.

Of course it is. Why not cease trying to persuade the local people that it is an easy method? The provincial-municipal committee in their interim report of 1953 recommended that a province-wide uniform system of assessment be established and the hon. Prime Minister stated in the assembly in reply:

Of course, to implement that recommendation, if it were done, would take very considerable time. In fact, it could not be done in a year or two.

Further, the hon. Provincial Secretary (Mr. Dunbar) who was then Minister of Municipal Affairs, stated:

All municipalities would be assessed within 5 years.

I do not think it will be accomplished satisfactorily in the next 5 years. So many factors enter into assessments that it will be very difficult to assess properties equitably in different municipalities. Location, obsolescence, depreciation and so on all have to be considered, which all make the problem difficult.

One thing we must admit at the present time is that, with the unequal assessments in some municipalities, it is impossible to pay grants equitably on that basis. In 1946, when a member of the Ontario county council, I was convinced of the need for a province-wide uniform assessment, and I say, modestly, assisted in piloting through the legislation. But 11 years have elapsed since we accepted the manual in that county, and there are still some municipalities which are not assessed according to the manual.

I think further illustration can be given. The hon. member for Bruce (Mr. Whicher) stated that he knew of a \$30,000 home in Toronto where the owner was paying only \$400 per year taxes. Now, what does that mean? Well, on the tax rate in Toronto last

year of 45.5 mills, it means that the property, the cost of which according to the hon. member for Bruce was \$30,000, was assessed at \$10,000, one-third of its actual value.

I think the government should forget grants for education on the assessment basis, and make up its mind to assume a greater percentage of education costs, even if some of the fringe benefits now granted to the local municipalities were removed. The answer is the government must pay a greater proportion of the cost of education.

I was rather intrigued to read, in the speech from the Throne, of the amount of assistance paid by the government, by way of grants to the municipalities. It read that the province is paying to the municipalities the sum of \$1 for every \$2 collected.

If this is true, then it shows again how inequitably grants are paid, for my own city of Oshawa raised by taxation, in 1955, the sum of \$3,826,628, and yet received from the province, in grants, per capita and every other grant, only \$783,069.

This is a long way from \$1 for every \$2 expended by the local government. I think that statement is very misleading.

In fact, I was very pleased to see that it had been altered a little. When the hon. Provincial Treasurer (Mr. Porter) introduced his budget about a week later, the statement had been altered from, "we give grants of \$1 for every \$2" to "we give nearly \$1." So it has been watered down a little.

It is a very misleading statement, because it seems that if the government is giving \$1 for every \$2, there are some municipalities in the province which are not receiving their proper share.

During the course of the debate, the rising cost of education has been stressed by many hon. members. Far be it from me to defend the government in any way at all, but I want to follow the hon. Prime Minister when he says, "Let us be fair." I am going to be that — "let us be fair."

I want to say that I believe that the federal government should give some assistance to education in the province of Ontario. Of course, as soon as the request is made, they take cover under The British North America Act and say, "We cannot contribute."

HON. MR. FROST: If the hon. member for Oshawa wants to assist us there, there is not much use of pursuing the matter of education, because, as he says, they will take refuge behind The British North America Act. He would do far better to come out and assist us get that 15 per cent. of corporation and personal income tax, and we will pay our own education bill.

MR. T. D. THOMAS: Mr. Speaker, I want to say to the hon. Prime Minister I do not think that is a valid argument, for the simple reason that the federal government is now giving a grant of \$50 million to the universities of this country, therefore they should contribute towards the cost of our public schools.

During the debate, we have heard some very heated arguments regarding the percentage costs of education assumed by the provincial government. I want to give figures which I believe will show that this government is paying less percentage-wise than they were in 1947.

According to the report of the hon. Minister of Education (Mr. Dunlop) there were, in 1947, 594,877 pupils in the public, separate, collegiate and vocational schools in Ontario. The government grant was \$30,134,336; a per capita grant of \$55 per pupil. In 1955, there were 897,046 pupils and the grant was \$71,913,203; a per capita grant of \$80 per pupil.

Now that seems impressive, an increase of \$25, but let us proceed a little further.

In 1947, the cost per pupil's average daily attendance was: public school, \$117.28; separate school, \$74.34; collegiate, \$194.19; vocational, \$304.87.

But in 1955 the cost per pupil's daily average attendance was: public, \$221.63; separate, \$133.55; collegiate, \$428.84; and vocational, \$506.37.

In other words, the cost of education for our children within 8 years has doubled itself, yet the provincial government grant has increased only \$25 per pupil.

These figures, therefore, I think will prove conclusively that the provincial government, percentage-wise, is paying far less for education today than it was in 1947.

Mr. Speaker, I want to register my objection to the composition of the select committee appointed by the hon. Prime Minister to study the workings of the metropolitan area of Toronto. Please do not misunderstand me. I have no objection to the hon. gentlemen already appointed. They are all able and competent to undertake such an investigation. But my objection is that no member of the opposition parties has been included in this committee.

The hon. Prime Minister cannot argue there are no hon. members of the opposition with municipal experience. That would not be true, because there are opposition members with a great deal of municipal experience.

What are the reasons? Could it be the government has sunk so much money into the metropolitan area, in order to make it function, that they do not want the opposition to know what is going on? I cannot see any valid reason why the opposition should not be represented on this committee.

I want for a moment to refer to the practice of the liquor control board in respect of renting stores for the sale of liquor. At the last session of the Legislature, I placed on the order paper the following questions: "How many stores are rented by the liquor control board in Ontario? What is the yearly rental of each one? From whom are the properties rented?"

I may say I had some difficulty getting the information. I placed the ques-

tions on the order paper some time in March and received the information the first of June.

HON. MR. FROST: There was a lot of typing.

MR. T. D. THOMAS: I grant that. The hon. Prime Minister really did very well. The information is very illuminating.

At the time the figures were tabulated, there were in Ontario 209 stores rented by the board. The total amount paid for rentals was \$945,165 for 209 stores. I do not intend to give the names of the owners, but any hon. member of the Legislature who is interested can have a look at them.

This could be a very good source of political patronage. I would wager to say 99 per cent. of these gentlemen who were renting these stores to the liquor control board would be supporters of the Conservative party.

AN HON. MEMBER: The hon. member is wrong as far as my riding is concerned.

MR. YAREMKO: There are millions of other people in the party.

MR. T. D. THOMAS: We have a situation where the liquor control board is paying close to \$1 million in rent.

AN HON. MEMBER: They are renting from the Canadian legion in our town.

MR. T. D. THOMAS: Here we find an instance of paying for the furtherance of the Conservative party. It is only to be expected that owners of the stores, when election time comes round, would have a very great interest in seeing that the government is re-elected. I think that is fair enough.

MR. MALONEY: Mr. Speaker, I rise on a point of order. In Renfrew South, we have a store built by a Liberal

and still owned by a Liberal, and I can assure this House he did not have any interest in my election.

MR. T. D. THOMAS: I did not say all of them; I said 99 per cent.

MR. JANES: I have one in my riding.

MR. T. D. THOMAS: I could still be right, because I said 99 per cent., and there are 206.

Mr. Speaker, I want to conclude with a final plea for the aged pensioners in Ontario.

I regret that, according to the announcement made by the federal government, they are going to give only the niggardly sum of \$6 a month to these people in need and distress. I would say to the hon. members on my right that I have not met one Liberal who does not think it is a niggardly allowance.

HON. MR. PORTER: That was the result of their amendment to the Throne speech.

MR. STEWART: Mr. Deifenbaker will change that.

MR. T. D. THOMAS: To come back to the provincial government, we have heard a lot this last year or so about supplementary pensions by the government of Ontario. I have heard the hon. Prime Minister rise and say we are prepared to pay 60 per cent. and the municipality can pay 40 per cent.

This all sounds very well, but what does it amount to? Not very much.

In my criticism of the government, may I say I am not criticizing the civil servants in the department at all. I think frankly and sincerely they are very fine people and doing a very fine job. The only thing I am doing is criticizing the regulation, and I think one has every justification in doing so.

Let me give the situation as it exists in Oshawa today. There are approxi-

mately 3,000 pensioners in the city of Oshawa. In the month of December, last year, only 49 qualified for any portion of the supplementary pension.

In fact, the cost of supplementary pensions in the city last year was the magnificent sum of \$680, and the cost to the province was \$480. I do not think the hon. Provincial Treasurer will have any difficulty in finding that small amount.

How does an aged pensioner qualify for the supplementary pension? This is very interesting, and these are the regulations laid down by The Department of Public Welfare:

The sum of \$30 is deducted from the \$40 for food, clothes and comforts, leaving \$10 for rent, and if the rent is more than \$10 the aged person can qualify for a part of the supplementary pension, or if he has to buy any expensive or extra drugs, he may also qualify.

Mr. Speaker, the point I want to make to the hon. Prime Minister is this:

The allotment for food and clothes is just the same amount—\$30—as it was before the supplementary pension was introduced, and if the pension is to mean anything at all, then the \$30 for food should be increased to at least \$40. Where is the logic in withholding from people who are hungry, cold, in need, and in distress, yet when they need medical attention turning around and giving them expensive drugs, when what they need in the first place is clothing and food, and the necessities of life?

I do ask the hon. Prime Minister to consider seriously increasing the \$30 to at least \$40, so some of these poor people who need it so badly will have an opportunity to qualify. That is one thing I do plead, that the government try to see if it cannot do something about the situation, because these people need it so badly.

HON. L. P. CECILE (Minister of Public Welfare): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, there are 3 bills here, and I was wondering if the hon. Leader of the Opposition would object if they were advanced to the stage where they could go to the committee?

MR. OLIVER: No.

THE MUNICIPAL DRAINAGE ACT

Hon. P. T. Kelly, in the absence of hon. W. K. Warrender, moves second reading of Bill No. 142, "An Act to amend The Municipal Drainage Act."

Motion agreed to; second reading of the bill.

THE ASSESSMENT ACT

Hon. Mr. Kelly, in the absence of hon. Mr. Warrender, moves second reading of Bill No. 144, "An Act to amend The Assessment Act."

Motion agreed to; second reading of the bill.

THE MINING ACT

Hon. Mr. Kelly moves second reading of Bill No. 145, "An Act to amend The Mining Act."

He said: This Act deals with the continuing phases of the operating of a mine; in other words, it has to do with the amendments to the safety regulations, electrical, mechanical features and so forth. It will be referred to the mining committee.

Motion agreed to; second reading of the bill.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, tomorrow afternoon there are two hon. members to speak on the Throne debate, and we propose to conclude the Throne debate with the vote on the motions of the opposition, fol-

lowed by the estimates of The Department of Lands and Forests and the taxation bills of the treasury that were referred to this afternoon.

MR. SPEAKER: Before putting the motion for adjournment, I would like to announce that due to unforeseen circumstances the meeting of the highway safety committee scheduled for

10 o'clock tomorrow morning has been postponed to Thursday morning at 10 o'clock.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, March 19, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Tuesday, March 19, 1957

Seventh report, standing committee on private bills, Mr. Maloney	1239
Municipal Tax Assistance Act, 1952, bill intituled, Mr. Warrender, first reading ..	1239
Tabling correspondence with federal government re hospital insurance, Mr. Porter	1239
Conclusion of the debate on the speech from the Throne, Mr. Cecile	1243
Estimates, Department of Lands and Forests, Mr. Mapledoram	1252
Recess, 6.00 o'clock	1288

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

TUESDAY, MARCH 19, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. J. A. MALONEY: Mr. Speaker, I beg leave to present the seventh and supplementary report of the Standing Committee on Private Bills and move its adoption.

CLERK OF THE HOUSE: Mr. Maloney presents the seventh and supplementary report of the standing committee on private bills, as follows:

Your committee begs to report the following bill without amendment:

Bill No. 25, An Act respecting the Township of Scarborough.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

THE MUNICIPAL TAX ASSISTANCE ACT, 1952

Hon. Mr. Warrender moves first reading of bill intituled, "An Act to amend The Municipal Tax Assistance Act, 1952."

Motion agreed to; first reading of the bill.

He said: The amendment is to make it clear that assistance payments are to be based on the rate levied on commercial property in the municipality.

This bill is complementary to Bill 101, An Act to amend The Municipal Act.

HON. D. PORTER (Prov. Treasurer): Before the orders of the day, I wish to table correspondence between the hon. Minister of Health and Welfare and myself with reference to hospital insurance. I shall read the two letters.

This is the letter of Mr. Martin, dated March 12th, 1957:

MINISTER OF NATIONAL HEALTH
AND WELFARE
OTTAWA, CANADA

March 12, 1957.

Honourable Dana Porter,
Treasurer of Ontario,
Parliament Buildings,
Toronto 2, Ontario.

DEAR MR. PORTER:

I am writing to confirm our understanding reached last week on the subject of hospital insurance. May I say how pleased I was to find once again, in the course of our talks, that our respective governments are in general accord as to the essential elements of the plan which the Government of Ontario has announced its intention to establish within the four corners of the federal proposal of January 26, 1956.

We considered, as you will recall, a number of points arising out of a draft memorandum of agreement prepared for our consideration which you presented to me at the meeting. My officials had also prepared for discussion a more detailed draft of an agreement which, it was felt, might serve not only as a memor-

andum of intent, dealing with general principles, but also as an actual operational agreement, covering the period when hospital insurance comes into operation in Ontario. After some discussion, it was mutually agreed that we should convey our understanding on the points discussed through an exchange of letters, and arrange, as soon as six provinces have indicated their readiness to proceed, for the actual negotiation of the formal agreement.

The principal discussion centred around the nature of the covenant and undertaking which the Ontario Government feels that it can give on the matter of coverage. You made it clear that it is the firm intention of the Government of Ontario not only to make coverage under the plan universally available to all persons normally resident in the province, but also to use every reasonable means to bring under actual coverage the largest possible number of persons from the outset of the scheme.

You further indicated that while Ontario could not undertake to make the scheme mandatory on all citizens from the outset, nor stipulate a definite percentage of the population which it would guarantee to cover, you would clothe your Hospital Services Commission with full powers to provide for compulsory participation in the plan by persons and groups of persons ordinarily resident in Ontario at the earliest time that, in the opinion of the Commission, such participation is administratively feasible. To this was added, by the Chairman of your Commission, Mr. Swanson, that it is not the intention of the Commission to rely exclusively, in the early stages of advance registration, on voluntary enrolment, but that both compulsory and voluntary methods of enrolment will be utilized concurrently from the outset.

If my understanding, as set forth in this letter, is correct, then the federal government will be glad to accept a form of covenant along the lines suggested in paragraph 2 of the draft agreement prepared by your officials as constituting a satisfactory undertaking on the question of coverage. The federal government has never, as you know, insisted on compulsory coverage for all residents from the outset, because it believes that the decision as to whether a plan is to be compulsory or voluntary, or a combination of the two, should properly rest with the province. Our concern has been to make sure that there should, in fact, be substantial coverage under any provincial plan to which federal financial assistance is given; and this seems now to be amply assured by the details you have given as to the manner in which the Commission intends to proceed.

We discussed also the term of any agreement that might be entered into with respect to a hospital insurance plan. It is my understanding that we agreed on a term certain of ten years, with either party having the right at any time after the expiry of five years to

give notice of its intention to terminate the agreement not sooner than five years from the date on which such notification is given.

The other points I think present no serious difficulties, and I propose merely to list them in this letter of confirmation as points to which either side agreed to give further consideration. You undertook to consider our suggestion that an agreed schedule of hospitals be annexed to the agreement, replacing the definition of "hospital" suggested in your draft. It was also suggested that any federal contributions should be made on a monthly rather than quarterly basis. In addition to these points, a number of other rearrangements of wording, changes in definition, etc. were discussed, but there are points of detail which I do not think I need to dwell upon further at this time. Our officials have already noted and discussed them together, and I feel certain that they can be satisfactorily taken care of in any master agreement that is subsequently drawn up for the use of all participating provinces.

If there are any important points arising out of our discussions which I have overlooked, I should be glad to have you bring them to my attention with your understanding concerning them. I should likewise appreciate it if you would, in your reply, confirm or otherwise the correctness of the understandings I have set forth herein.

Yours sincerely,
PAUL MARTIN.

The following is my letter, dated March 18th, which is as follows:

THE TREASURER OF ONTARIO

Queen's Park, Toronto,
March 18th, 1957.

DEAR MR. MARTIN:

I am in receipt of your letter of March 12th relating to the understanding on hospital insurance reached at our meeting on March 6th.

Your letter, I believe, accurately describes the undertaking we gave on that occasion that the hospital insurance plan will be universally available to all persons normally resident in Ontario, and it is our earnest intention to obtain as broad coverage as possible. With this as our objective, the Ontario Hospital Services Commission will from the outset of the plan utilize concurrently both voluntary and compulsory methods, but it will introduce compulsory participation only when and to the extent that in its opinion such participation is administratively feasible.

It is our understanding, from the meeting of March 6th and your letter of March 12th, 1957, that you concur in this arrangement, and that we are also in accord with the other points covered by the draft agreement which we submitted to you at that meeting.

I have also noted your comments concerning the preparation of a formal agreement. I would urge that we meet as early as conveniently possible for the purpose of negotiating and preparing this.

We intend within the next few days to introduce legislation authorizing us to proceed generally along the lines thus agreed upon.

As we have previously stated, the Ontario Government will not proceed with its plan without federal participation and, therefore, it is our hope that all details of the agreement will be settled at the earliest moment.

Yours sincerely,
DANA PORTER.

The Honourable Paul Martin, Q.C.,
Minister of National Health and Welfare,
Parliament Buildings,
Ottawa, Ontario.

HON. L. M. FROST (Prime Minister): In relation to this correspondence, I give notice that I propose to introduce legislation which will be enabling on Thursday of next week.

Of course, it must be borne in mind that we have no formal agreement, but we have the letters of intent which substantially covers the situation.

As I have said before to the hon. members of this House, we have to get down to business in order to meet the deadlines which are a part of our plan, and, therefore, I propose the introduction of legislation in enabling terms, and, in fact, in general terms, on Thursday if it is possible to have the legislation ready by that time.

MR. OLIVER: Mr. Speaker, commenting on what the hon. Provincial Treasurer (Mr. Porter) has said, and the words of the hon. Prime Minister, I would say it is apparent that the two governments have met on common ground. I think there is not much doubt about that.

I would certainly think that the hon. Prime Minister is justified in preparing for the eventuality of the signing of the formal agreement.

The only question I want to ask the hon. Prime Minister is this: What happens in relation to the standing committee on health? What is the hon. Prime

Minister prepared to put before that committee, and when is it going to . . .

HON. MR. FROST: Mr. Speaker, the reason why the matter has been delayed in connection with the committee is, I think, very apparent. We have been engaged in reaching agreement with the federal government not only in principle but in the essential detail which is required. That is one of the reasons I am anxious to introduce the legislation on Thursday so that we may refer the whole matter to the committee on health, say, on Monday or Tuesday, so there can be a discussion of the Ontario proposal, the federal position, and what has been agreed upon.

I think that will meet the requirements.

MR. T. D. THOMAS: Would the hon. Prime Minister permit a question?

In the letter read by the hon. Provincial Treasurer, it mentioned the Ontario hospital commission. Does that mean that this Ontario hospital commission will administer and collect, and is Blue Cross entirely out of the picture?

HON. MR. FROST: I think that is something which will be explained in the legislation itself.

It is our general plan to use the personnel which is available to us, but I think the plan of insurance itself would be evolved as an Ontario plan.

MR. W. H. COLLINGS (Beaches): Before the orders of the day, I would like to make reference to a news item in today's *Toronto Telegram* with respect to the hon. member for Oshawa. He said: "The liquor control board is paying close to one million dollars in rent for liquor store properties in Ontario" and said that he was willing to bet that 99 per cent of the landlords were supporters of the conservative party, and that it was a source of political patronage.

Mr. Speaker, when this government came into power in 1944, there were 131

leases in effect. Today, on March 19th, 1957, 80 of those leases have been renewed and are still in effect. The 51 additional, I would say, are in the larger centres in which the former premises were totally inadequate for the business being done today, and they are new locations.

MR. T. D. THOMAS: Not entirely.

MR. SPEAKER: Before the orders of the day, I would like to welcome four groups of students from widely separated sections of Ontario who are here to view the proceedings of the House. They are from Elm Street public school in Port Colborne, from Lakeview Park school in Port Credit, James S. Bell school, Long Branch, and the John Fisher school in Toronto.

HON. A. KELSO ROBERTS (Attorney-General): Mr. Speaker, after several weeks' advance notice by the publisher of the *Toronto Telegram* there was published and distributed in Ontario on Sunday, March 17th, a Sunday newspaper called "The Sunday Telegram."

Under date of March 5th, the Lord's Day Alliance of Canada raised objection to this publication and expressed the hope that the consent of the Attorney-General to prosecution would be given if requested in the event of publication. No complaint has been laid by the Lord's Day Alliance or anyone else.

I am going to refer to a letter which was handed to me a few moments ago as I was coming to this Chamber, but I shall do that at the end of my remarks.

The Lord's Day Act is a federal statute passed in 1906. The Act provides that no action or prosecution for violation under the Act shall be commenced without the leave of the Attorney-General in the province where the alleged offence is committed. The Act contains general prohibitions relative to business being carried on, on the Lord's Day. There are, however, certain exemptions based upon works of mercy

and necessity which, of course, are in their nature questions of fact.

The usual procedure under this Act is for the Attorney-General to act upon complaints which are lodged with him. In this particular case no complaint has been lodged with me, but owing to the importance of the case and the matters involved I have felt that it is in the public interest that the legal and policy position should be clarified as soon as possible, and in view of the fact that I have no formal complaint lodged with me relative to the publication of the *Sunday Telegram* this last Sunday, I have determined upon the following course:

I have instructed the law officers to prefer a charge against the *Telegram Publishing Company Limited* based upon the publication, sale and distribution on Sunday, the 17th instant, of *The Sunday Telegram*. The 17th of March is often a day of varied events—from fights to sublime music.

The *Telegram Publishing Company Limited*, through one of its officials, has made complaints against several agencies who it claims are likewise doing work on the Lord's Day and are publishing, selling, advertising and disseminating news on that day.

In view of these formal complaints, as Attorney-General, I have consented to prosecutions against the *Canadian Broadcasting Corporation*, the *Globe and Mail Limited*, the *Toronto Star Limited* and the *Toronto Broadcasting Company Limited* (CKEY broadcasting station).

These cases are merely typical cases of the matter which by this method is to be submitted to the courts. There are others which could be included, but it would appear that the law can be clarified by limiting the prosecutions to those stated above.

It must be understood that the law under which these proceedings are being taken is a federal statute. At this time it is important for all of us in the Province of Ontario to understand what

this law is and what the discretions and exemptions are, and how they apply.

There is also the question to be determined as to the effect of tolerances which have been developed under this law because of the change in times and conditions since the passing of this Act more than 50 years ago. The Act of 1906 had its genesis in a law passed many years before Confederation, the roots of which, in turn, go back to the time of Constantine.

In view of all this I have felt that it was in the interests of all that this matter should be placed before the courts in a way in which these problems could be satisfactorily determined.

In addition to the legal advisors of my own department I have seen fit to engage the services of C. F. H. Carson, Q.C., of the firm of Tilley, Carson, McCrimmon, & Wedd, as special counsel and advisor in these matters.

I have received a letter from Mr. F. A. Brewin, Q.C., of the firm of Cameron, Weldon, Brewin & McCallum, acting for the Lord's Day Alliance of Canada, which letter just came to my attention a matter of minutes ago, which refers to the fact that the Lord's Day Alliance would like consent to the prosecution of The Telegram Publishing Company Limited. However, the situation is a *fait accompli*, and prosecution has already been instituted, as I have stated.

MR. SPEAKER: Orders of the day.

ADDRESS IN REPLY TO THE SPEECH FROM THE THRONE

HON. LOUIS P. CECILE (Department of Public Welfare): Mr. Speaker, we are all watching with amazement the rapid growth of our province. A city the size of Hamilton was added in 1956 to Ontario's population. There is no stagnation, here, in the building of a great province. All things must have a beginning, and we are reaping, to a very large extent, the

hard work and wise planning of our forefathers, and the strong principles by which they lived.

The remarkable growth of Ontario has placed the whole country on a sounder and more favourable footing. We can truly say that Canada has achieved nationhood. We can look to the future with hope and confidence that Ontario will grow larger and provide an even better standard of living for our people.

This progressive development toward nationhood did not just happen. It had its commencement in the pioneer days—and, indeed, we in Ontario are still pioneering in many of the phases of our development. We have proven to ourselves that our political institutions are sound, and that we have a good balance between the state, the judiciary and the church.

This has produced a favourable atmosphere in which to develop a deep and abiding respect for human dignity and individual worth. Our distribution of wealth and resources has provided a standard of living for almost all of our people which, in earlier years, would have been thought impossible to achieve.

Racial and religious intolerance is virtually unknown here. It is interesting to learn from our historians that in our earliest beginnings as a country (in the sixteenth century) only some 5,000 French colonists settled in Canada. In the year 1764, this group numbered 65,000 persons. During the next century, all under British rule, the French in Canada reached the one million mark. Today, the people of my French ancestry number 4,300,000.

There has, of course, been some infusion of other races into this group, some of it resulting from the early associations with the native Indian population. The fertility of the French family is notable, and their contribution to our economic and national life has kept pace with the progressive development of our country as a whole.

I remarked on another occasion that the French kinship to the Scotsman has been interwoven through many cen-

turies. In many parts of Quebec, in particular, Scottish soldiers, when demobilized, remained to marry our women and to take their place in our way of life. Today, you will find many French families who retain Scottish surnames, but they are steeped in French traditions and language.

I am sure we must all have a great admiration for people of Scottish descent. Surely no country has a better record than Canada in building a land with foresight, and in this we can see the influence of the canny Scot. Throughout Ontario, in particular, we all know of the settlements of Scottish pioneers. They appear with great regularity in every part of the Province. It is particularly true that these areas have a high standard of living.

Looking at counties such as Middlesex, Lambton, Oxford, York and, indeed, in almost every other part of the province, you can locate a core of Scotsmen whose predecessors provided the original stimulation in the development of the land and its resources. The stability which has resulted can be well understood when we look at the sterling character of the Scottish people—their sense of values, education, religion and economics, and foremost, their tolerance—the mark of the heritage of these fine settlers. I only hope that we might encourage many more to make Ontario their home.

One of the literary wags of England once said: "In all my travels, I never met with any Scotchman, but what was a man of sense." But, he further added: "I believe everybody of that country that has any (sense), leaves it as fast as he can." And, of course, in this same connection, Samuel Johnson once said: "Sir, it is not so much to be lamented that old England is lost, as the Scotch have found it."

However, despite these "tongue-in-cheek" remarks, we, in Canada, have gained all the way by the desire of so many Scottish people to migrate to our land.

Mr. Speaker, it was a fortunate day for Ontario when our Prime Minister (hon. Leslie M. Frost) was elected to lead the government of this province. And, as you know, he is of strong Scottish pioneering stock. He has shown an uncanny faculty to meet and discuss problems, interests and concerns, in a rational manner with people in all walks of life, whether they are representing political, religious, social or the other institutions of our way of life and which have a stake in the betterment of our province.

I have yet to meet the person who has ever seriously questioned his integrity, his motives and his sincerity of purpose, as he has gone about his task to further the interests of Ontario and its people.

You will know that I do not wish to exclude other nationalities in recognizing the part they have played in making this a worthwhile country in which to live. On the contrary, their special characteristics have tended to strengthen the whole population. They have worked as hard to avail themselves of the opportunities and challenges, here, as the original settlers.

Ontario continues to attract a greater number of newcomers, and they are a welcome addition in our growing economy. I was interested in looking at the distribution of population in Ontario as shown in the census of 1951. We are informed that while Ontario has approximately one-third of the population of Canada, 46 per cent. of all Canadian citizens who are of British origin live here; and the next largest group is the French with 11 per cent. of Canada's French population residing in Ontario.

This province is, indeed, a remarkable one in having what would seem to be the most cosmopolitan atmosphere in its ethnic and racial distribution. It is no wonder that, with this merging of so many traditions and cultures, we appear to be outpacing all jurisdictions on the North American continent in economic growth and development.

In case there are persons with faint heart who misunderstand the need for

additional population, may I say that natural increase is just not adequate enough. A country can only exist and thrive on its ability to produce. We cannot remain stationary. We must either go forward or allow ourselves to drift backward.

Increased productivity is the dynamo which will keep the wheels of industry turning. This is the only way we can provide a better standard of living for all. And, we can only *increase* our productivity by having more people to produce more goods; that is, unless we think that we can depend entirely on every individual to add to his own measure of production through an increase in man hours of work. And, it would seem to me that the trend of our thinking is actually in the reverse. We require additional people to assure that our successful achievements, thus far, will continue. We need a larger population to develop a greater independence; to add to our domestic market, and, as well, to produce for foreign markets.

Our production from our rich farm lands, minerals, forests and water power is such that Ontario is known throughout the world as a province of rare riches. It is truly a land of opportunity. I should add that our human resources must be of unusual worth in having increasingly obtained the greatest values from our natural resources.

In this technological age it is doubtful that, even in the United States or in other countries of the world, there is a better standard of living than that enjoyed by the people of Ontario. As a footnote, I would suggest the end is still not in sight.

In my own particular responsibility as Minister of Welfare, I am well aware that the best welfare programme we can promote and develop relates to that of providing for an even greater productivity. This to me is the positive approach towards providing a high standard of living for our people.

In speaking about our newcomers, both in the past and the present, I feel

we can now say that we have fused together a Canadian culture and tradition, with an outstanding approach to world affairs and to the removal of intolerance. The inter-marriage of the various nationalities has produced a very virile people who have taken on a distinctive Canadian character.

I must inject at this point some remarks concerning the original Canadian people—our Indian population. They have recently been the subject of discussion in both the House of Commons and this Legislature. I find myself largely in agreement with the honourable member from Brant. I know, as we must all know, that the treatment of these proud people has been anything but gracious or effective in bettering their lot in life.

Brotherhood week is taking on real meaning in giving understanding to the conditions, circumstances and problems of the variety of ethnic groups within our land. It is a definite factor in the development of equality of status and opportunity. Yet, even in this movement, the original inhabitants of the country are apparently forgotten.

The year 1763 was a historic one. The Treaty of Paris was signed in that year to guarantee, to the French in Canada, freedom in the use of their language, their religion, their customs and laws. In the same year, King George III placed under the Crown the many rights which were to be accorded to Indians. In effect, the government became the guardian of the native Indian population.

At Confederation, the policies in respect to these rights were continued, with succeeding governments negotiating separate treaties with the various Indian bands. These treaties brought about the reserve system which is prevalent to this day. It is a classic example of centralization with the administration of all policies and matters concerned with Indian people being directed across the entire country from one main source. Our Indian brothers have suffered betrayals throughout two centuries. It

is seldom that they have been consulted on matters which have directly affected them, nor has their consent been obtained in many acts in which they were concerned.

I am disturbed every time I think of the failures to further the interests of these native sons. I can only suggest that governments at the federal level, who have been and are still responsible for these people, have most surely lost their governmental souls, both in acts of commission and omission, as guardians of the Indians. Hunting grounds have been utterly destroyed and, along with them, the normal means of livelihood for these people—and how have these inherent rights been replaced?

To the credit of Ontario's Prime Minister and the Legislature, a select committee of the House made a proper start in making a study of the basic problems of our Indians. Under the auspices of my department, we now have a fine progressive committee of native Indians who are studying ways and means of giving greater independence and opportunity to this important group of people, within the scope of the federal Indian Act. We must collectively and individually do more to assure these original Canadians that they truly belong and should be free to take their proper place in our economy.

In this regard, the granting of the provincial franchise to Indians was a long step forward. These are intelligent people. They are loyal. Whoever heard of an Indian advocating the overthrow of government? They are not communists! Who has had a better record in serving our country in time of war? They have only sought just and equal treatment. I would add one more thought. Personally, I resent very much the practice which has evolved on the part of the press and others, almost invariably, when an Indian comes into conflict with the law, the fact that he is an Indian is carefully mentioned.

Surely, this is a most unreasonable and unjustified practice. It is suggestive of attempts to cast a slur upon Indians as a whole. We have virtually ceased

from the practice of referring to a person's colour in reports of incidents which occur; and it is rare for a whole ethnic group to have to face the danger of criticism because of the actions of one of its members. Why, then, the Indian?

This is not really a matter which would involve the introduction of legislation to control; but surely it is a matter of moral responsibility and respect for the dignity of groups and individuals. It would seem this practice of referring to the Indian's racial origin has developed over the years probably as a result of thoughtlessness, rather than any real desire to deprecate all members of this proud group.

In coming to other matters of vital concern, it is apparent that the subject of education looms very large in the eyes of the people of Ontario. Certainly, we have very fine educational facilities to cover all ages in our child population, as well as for higher education at the university level. Our educational facilities are the greatest assets of this province. They have undoubtedly been one of the main reasons why Ontario has been able to achieve its preferred position today.

The government of Ontario, in the matter of the costs of education, is giving the greatest possible advantages. The growth of the province and the sheer weight of numbers in school enrolment has caused some dislocation of services. Nevertheless, we have been able to assure municipalities that necessary classrooms and teachers are and will continue to be made available; and I do not believe that there has been a sacrifice in the quality of education. I know throughout the province there has been a virtual revolution in creating new classrooms and in the construction of new schools.

It is evident that proportionately higher funds have had to be made available without stint to further educational processes in every possible way. In the field of higher education, I cannot foresee that any member of this House would suggest there is any other authority which has done more or even as much as

this government. Our very future rests on the continuing—and I repeat—the continuing advantages of a fully integrated school system. We are blessed with sound judgement and good management on the part of local school boards and the leadership provided by our Department of Education. The teaching profession is making an outstanding and indispensable contribution to the growth of this province. I submit that the educational system, and the approach being made by this government, should be commended by every member of this Legislature. The amendments to the legislation dealing with education which are being introduced at this session give generous aid beyond anything anticipated in the past, and lead us to see the day when all discrepancies will be wiped out completely.

This debate affords me the opportunity of bringing to the attention of this House the very exacting and often thankless job of a provincial treasurer. When funds are not available in the desired amounts to accomplish the total purposes of any government, it becomes a heavy responsibility of the treasurer to establish policies which will give effect to the distribution of the funds to where they are required in the greatest degree. In making provisions for the fundamental services of the province, he must take into account the responsibilities of other governments—federal and municipal—in relation to the problems of finance.

In spite of the weight of this office, Ontario's Provincial Treasurer, the Hon. Dana Porter, is one of the most understanding of men. I think every member of this House, whether or not they would agree with certain fiscal policies, would readily pay tribute to our Provincial Treasurer, Hon. Dana Porter, in the performance of his duties. Mr. Speaker, may I say that we have the greatest respect for his wholesome approach in co-ordinating Ontario's financial requirements.

In my own portfolio, we are attempting to assure adequate assistance for those who qualify under the various welfare acts. Amendments have been intro-

duced which anticipated increases to old age assistance,—disabled persons' allowances,—and blind cases. These amendments will enable us to share with the federal government — the government which sponsors these programmes—the cost of the increases. I must say, however, that the federal acts and regulations, in almost every respect, are far too confining; and the pay-as-you-go scheme for persons over 70 years of age is most ineffective, when related to an insurance-maintenance plan, such as is available to citizens of other countries, as for example, in the United States.

I do not propose to discuss the subject of provincial-municipal relationships at any length. I should say, that I am not aware of any other state or province which directs so many benefits towards the small homeowner as this government has done and is continuing to do. Our sources of revenue are limited, particularly because of the attitude taken by the federal government.

Unfortunately, the Ottawa government is so far removed from the actual scene of operations, it would seem they are quite unable to recognize the magnitude of our problems and, consequently, they tend to place the province in a straight jacket. Mind you, I am not suggesting that this is being done as a political manoeuvre, but rather, it seems to be a failure on the part of the federal government to really recognize that there are other important levels of government beyond the senior one.

There is sometimes a misconception on the part of some people that welfare services should only be related to governments; that the welfare state should take care of every conceivable human need. May I say that there are many facets of human betterment which can be treated more appropriately by private individuals and organizations. They are in a far better position to give those personalized services which are often required. It is true that government has an obligation to assist needy people who are in economic distress. While all governments today have rather a wide base on which services have been

established for children through to every stage of life, it is still essential that services continue on the part of private welfare agencies and individuals.

We need only to look to the Bible and to the writings of men through the ages, to remind ourselves that, of all the attributes of human character, the greatest is the spirit of charity—not in an emotional, self-gratifying or patronizing sense—but a spirit of charity rooted in a deep concern for one's fellow-man. We can see this spirit best demonstrated and carried forward by families who retain their responsibilities towards each other throughout life; by neighbours who extend a helping hand in times of distress and need. There is no question in my mind that our society would fast deteriorate if we failed to recognize the place for welfare services under private auspices.

In this connection, we all know of some quite remarkable men and women who practice the precept: "Love thy neighbour as thyself." They are, in many cases, unsung heroes and heroines, who are not expecting credit or bouquets. We find these people among the clergy, medicine, law, indeed in every walk of life; persons who give unstintingly of their time, talents and financial resources towards helping others to have a better way of life.

Most cities today have community organizations which draw voluntary aid in the form of money and services. There are many such organizations giving exceedingly fine attention to the problems which do not lend themselves to governmental administration and treatment. There are men such as Mr. Wallace McCutcheon, president of the Canadian Welfare Council, who devotes an amazing allotment of his time to the activities of this national organization. You will find organizations such as the Canadian Paraplegic Association, the Canadian National Institute for the Blind, the Canadian Hearing Society, the Red Cross, many ethnic groups and literally thousands of private agencies giving specialized welfare services.

I think one of the most remarkable men living today who, amongst other worthwhile endeavours, serves a group of people so unselfishly, is that well-known personage Mr. Connie Smythe. Major Smythe is one of the moving spirits in the Ontario Society for Crippled Children. He has given great stimulation to activities pertaining to paraplegics, and cerebral-palsied children; and in co-operation with the entertainment fraternity has developed one of the most effective, well-rounded programmes of rehabilitation in favour of handicapped boys. I have selected Major Smythe as an example of the private individuals to whom I have referred. While I do not know him in a personal way, the effect of the services he and others have developed, has been most evident and noteworthy.

Major Smythe is best known for his management of the Maple Leaf hockey team. He served in both great wars with distinction. In spite of his many varied business responsibilities, he still finds time to give direction to activities, all in favour of less fortunate fellow citizens. If you attend any hockey games at Maple Leaf Gardens, you will always see a number of persons in wheel chairs occupying spaces arranged for them by Connie Smythe, so that they may enjoy the games.

We could each mention sports personalities in the community, such as Whipper Billy Watson, who devotes an extraordinary amount of time to our youngsters. The motivation on the part of these rare individuals, goes deeper than a desire for personal recognition. I believe they have a Christian understanding, and a sense of obligation to be of help to others who need their attention. I have mentioned a few outstanding examples, but wherever we live we see people who frequently, at great personal sacrifice, are serving others in providing the necessary extras beyond those which can properly be expected from governments whether federal, provincial or municipal.

This is a subject which has a very real meaning to me, and I would just add

that we need not look any further than amongst the members who occupy seats in this House. Here we have a dedicated group of men who have received the approval of the electorate to represent them in fulfilling their requirements and wishes. Almost everyone here is associated in some way with private welfare endeavours, all leading, I believe, to the achievement of good purposes.

It is a very great privilege to serve our people, and if I were to say anything related to the special activities of my department at this time, I would again suggest that our doors are open to those who need the help we can offer. Our efforts in every branch are being directed towards rehabilitation services, both for the handicapped and other persons in receipt of public welfare assistance. We are attempting, whenever possible, to assist our recipients to become self-supporting. The handicapped person, of course, requires more specialized attention and I must say we are meeting with much success in the training and placement of those who can be accepted for these services.

I was disappointed, however, to learn, just the other day, that the Ottawa government is apparently not prepared to share in the costs of providing professional training for some of our cases, who we have considered to be suitably qualified to undertake such training. Although we have proceeded with measures directed toward professional training at the university level for some ten persons, I am now informed that the federal authorities will not approve the expenditures we have been making on behalf of these persons. I think this is a mistake on their part. What better training is there to assure a livelihood for the handicapped? Education is of prime importance, and particularly so in these cases.

Our vocational rehabilitation programme is operated under an agreement with the federal government. Schedule "R" of that agreement states that it is—"A project designed to provide for the vocational, technical or professional (and I would ask you to note that word *pro-*

fessional) training or retraining of any disabled person, who, because of a continuing or remaining disability, requires training to fit him for continuing employment in a suitable occupation." Surely that is clear enough; but, in effect, we are now being told that professional training in a university is not covered by the terms of Schedule "R".

Now I ask you, where else can you give professional training, *but* in a university? What kind of reasoning is this? Unfortunately, this is just one more example of the illogical and inconsistent approach which the Ottawa government seems to take, far too frequently, in relation to their sponsored programmes. We are constantly running into these negative attitudes and frustrations, in every one of the programmes in which we share expenditures with the federal government. The worst feature, of course, is that there would almost seem to be the attempt to deny services to those who should qualify. Again the Ottawa government is too far from the scene of operations, which results in interests based on theoretical approaches and mathematical formulae. Giving the benefit of the doubt to a welfare or rehabilitation case is an unknown factor to federal government officials. Be that as it may, we will continue to make every effort on our part to give as many handicapped persons as possible the opportunity to take advantage of the services available in Ontario.

I have been impressed, Mr. Speaker, with the service you are rendering to this Legislature. You are both understanding and patient. The mover and seconder of the motion for the address in reply to the speech of the honourable the Lieutenant-Governor at the opening of this session, contributed two of the most thoughtful addresses we have been privileged to hear in the House to date. Those who have joined in the debate which has followed have maintained a high level of expression of their views and suggestions, which always contribute so much to the process of good government.

For Ontario, 1957 promises to be a remarkable year. We are showing an amazing growth and development in every phase of the life of this great province—in our standard of living; in our health measures; in our church and spiritual activities; in our educational and cultural attainments; and in our ability to live with our neighbours within and outside the province. To the everlasting credit of our Prime Minister, we are attaining a real degree of unity throughout our country, due, in no small part, to his outstanding leadership.

We are expanding in our experience and becoming increasingly aware of the many fine opportunities we have to serve the citizens of Ontario—all of us! Her Majesty's Loyal Opposition — and I would include both parties—are performing their functions with commendable zeal. I suppose the greatest "tug-of-war" in this House is really taking place between those who are Liberals and those who represent the C.C.F. I do not feel, however, that I should undertake to be the referee for the settling of their differences — particularly over the matter of hospital insurance.

All the great accomplishments of this government have been made realities with the lowest provincial taxation base to be found in Canada. We have no sales or other nuisance taxes. We have been able to maintain the lowest taxation possible in keeping with the wishes and needs of those we represent—the taxpaying citizens of this great province.

The Queen's representative recounted on the first day of this session, some of the great benefits which have been translated into law by this and former Legislatures. The Honourable, the Lieutenant-Governor indicated that certain new acts would be introduced in the interests of continued good government. He dealt with special features in relation to each department. I am sure each and every member will agree that his words recorded many great accomplishments and gave a good deal of insight into the future.

May I say that I am grateful for the help and encouragement I have received

from all members of the Legislature, as I have endeavoured to carry out the responsibilities with which I have been charged.

I believe it is quite appropriate for me to say that this government has approached its many and varied tasks with reasoned judgment. Certainly our progressive measures have met with much favour throughout the province. I would therefore suggest that all members of this House will welcome the opportunity to support the government, if a vote should be called.

MR. SPEAKER: The vote will be on the amendment to the amendment.

As many as are in favour of the amendment to the amendment, please say "Aye".

As many as are opposed, please say "Nay".

In my opinion, the "Nays" have it. I declare the amendment to the amendment lost.

The vote will now be on the amendment to the motion.

The amendment to the motion was negatived on division as follows:

YEAS	NAYS
Gisborn	Allen
Gordon	(Middlesex South)
Innes	Auld
MacDonald	Beckett
Manley	Belisle
Nixon	Boyer
Oliver	Cass
Spence	Cathcart
Thomas	Cecile
(Oshawa)	Chaput
Whicher	Child
Wintermeyer	Collings
Worton	Connell
Wren	Cowling
—13	Daley
	Doucett
	Dunlop
	Dymond
	Edwards
	Elliott
	Fishleigh

NAYS — *Continued*

Frost
 (Bracondale)
 Frost
 (Victoria)
 Fullerton
 Goodfellow
 Griesinger
 Graham
 Grossman
 Hall
 Hanna
 Herbert
 Hunt
 Jackson
 Janes
 Johnston
 (Simcoe Centre)
 Johnston
 (Carelton)
 Jolley
 Kelly
 Kennedy
 Kerr
 Lavergne
 Letherby
 Lewis
 Lyons
 Macaulay
 Mackenzie
 Maloney
 Mapledoram
 Monaghan
 Morin
 Morningstar
 Morrow
 Murdoch
 Myers
 Nickle
 Noden
 Parry
 Phillips
 Porter
 Price
 Pryde
 Rankin
 Robarts
 Roberts
 Robson
 Root
 Rowntree
 Sandercock
 Scott
 Spooner
 Stewart

NAYS — *Continued*

Sutton
 Thomas
 (Elgin)
 Wardrope
 Warrender
 Whitney
 Yaremko
 —76

MR. SPEAKER: I declare the amendment lost.

The vote will now be on the main motion.

HON. MR. FROST: The same vote in reverse?

MR. OLIVER: Yes.

The motion was agreed to on division as follows:

YEAS	NAYS
Allen	Gisborn
(Middlesex	Gordon
South)	Innes
Auld	MacDonald
Beckett	Manley
Belisle	Nixon
Boyer	Oliver
Cass	Spence
Cathcart	Thomas
Cecile	(Oshawa)
Chaput	Whicher
Child	Wintermeyer
Collings	Worton
Connell	Wren
Cowling	—13
Daley	
Doucett	
Dunlop	
Dymond	
Edwards	
Elliott	
Fishleigh	
Frost	
(Bracondale)	
Frost	
(Victoria)	
Fullerton	
Goodfellow	
Graham	
Griesinger	
Grossman	

YEAS — *Continued*

Hall
 Hanna
 Herbert
 Hunt
 Jackson
 Janes
 Johnston
 (Simcoe
 Centre)
 Johnston
 (Carleton)
 Jolley
 Kelly
 Kennedy
 Kerr
 Lavergne
 Letherby
 Lewis
 Lyons
 Macaulay
 Mackenzie
 Maloney
 Mapledoram
 Monaghan
 Morin
 Morningstar
 Morrow
 Murdoch
 Myers
 Nickle
 Noden
 Parry
 Phillips
 Porter
 Price
 Pryde
 Rankin
 Roberts
 Roberts
 Robson
 Root
 Rowntree
 Sandercock
 Scott
 Spooner
 Stewart
 Sutton
 Thomas
 (Elgin)
 Wardrope
 Warrender
 Whitney
 Yaremko
 —76

MR. SPEAKER: I declare the motion carried.

CLERK OF THE HOUSE:
 Resolved that an humble address be presented to the Honourable the Lieutenant-Governor as follows:

TO THE HONOURABLE LOUISE O.
 BREITHAUP, LL.D.
 LIEUTENANT-GOVERNOR OF THE
 PROVINCE OF ONTARIO.

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the Chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. Janes in the chair.

ESTIMATES, DEPARTMENT OF LANDS AND FORESTS

HON. C. E. MAPLEDORAM
 (Minister of Lands and Forests):
 Before entering upon detailed consideration of the estimates of The Department of Lands and Forests, I should like to make a few general remarks on some of the more important aspects of the department's work during the past year.

In outlining present activities, I would respectfully point out to the hon. members that management of our renewable natural resources not only is a continuing thing, but that planning for the future, particularly in regard to forests, must be of long range and with a broad perspective.

The life of a tree is not calculated in decades. The life of fish and wildlife is many years. So we are being far-sighted and looking ahead in things like forest inventories, regeneration, protection, research, reforestation and in all our planning towards the wisest and most

successful utilization of these resources so that they may provide in perpetuity the ultimate benefits for our people.

Since the responsibilities which devolve upon this department of government have such an important bearing on our present economy and our future prosperity, touching every one of us in some way, the fullest support and co-operation of all our people are imperative to fulfilment.

This responsibility applies, I believe, to every individual in Ontario, including the hon. members of this House.

We are in the happy position in Ontario of having a wealth of natural recreational facilities which serve, not alone their basic functions for our people, but also add considerably to our provincial economy. So, our fish and wildlife and our vacation lands serve a double purpose — and are a two-fold responsibility.

This province can absorb a great deal of industrial development and still remain a land where forests, fields and waters combine to make outdoor recreation important to our people. The fish and wildlife resources on which our recreation is based can be perpetuated only under heavy pressure if we set up an intelligent management programme.

The first requisite of such a programme is to know what we have.

Last year, we made real headway with moose. As many realize, moose have been increasing in the past 10 years. So, instead of the closed season we had early in the period, we now have very good moose hunting.

We watch the licence fees flowing into the provincial treasury and realize that, in addition, each hunter is enriching the economy of the north.

However, we are determined that there shall be no misgivings. We had compiled all sorts of figures of counts and observations of moose without ever being quite sure how they really should be interpreted.

Last winter we set up an experiment designed to enable us to use all our

figures correctly, by checking them with helicopter surveys. These are, however, still too expensive in themselves to become routine.

This year, the survey will pay off. I can say now that we have even more moose than we thought we had.

We also have test areas set up to enable us to understand better how our deer herds live. We would like to go a lot further with the process.

For example, we have spent around \$50,000 a year on bounties for wolves — and about all we can say with certainty is that the wolves remain much as they always were. They have their ups and downs, but there is little to suggest that man is responsible. It would help us to know something about wolf populations.

We have come a lot closer in the last few years to an understanding of the beaver, our most valuable fur animal.

We still do not know enough about any of our valuable fish, and when the campaign against the sea lamprey, which destroys so many of them, was started, we had to begin at the beginning. We still do not know enough about the lampreys to say with certainty whether or not they can be controlled.

Although the subject of hunting and fishing leads our minds to the north, we must never forget that the greatest demand and need for these come in the vicinity of our great centres of population. In these heavily populated areas, the open lands are constantly shrinking and the waters face a constant and growing threat of pollution.

To big game hunters, may I say that information obtained through careful research so far has helped us to establish hunting seasons which provide the greatest hunting privileges possible and, at the same time, safeguards these resources against exploitation. We have now the largest moose population that Ontario probably ever enjoyed, and enjoy the best hunting in our history.

We made an assessment of the 1956 deer season and interviewed more than

15,000 deer hunters at checking stations operated on strategic highways of the province. The western region had a disappointing season, mostly because there was a very disappointing fawn crop. This situation had been foreseen. Unusual weather also played a part in the poor hunt. In the east, hunter success was 52 per cent. compared with 77 per cent. the previous year.

Our game fish situation is very good, with the Kamloops variety of the rainbow trout being established in many waters of southern Ontario to supplement speckled trout. The use of aircraft for distribution of speckled trout has provided an opportunity to introduce it in many lakes where it was not formerly present.

A survey across the province revealed that 1956 sport fishing was above average for 8 species, and average for 3 others of the main sport fishes. Above average were lake, speckled and rainbow trout and splake—the trout hybrid—as well as pickerel, smallmouth black bass, pike and maskinonge. Angling results were average for Kamloops and brown trout and largemouth black bass.

Removal of the size limit on black bass was an experiment which was successful in 1956 and is being continued this year.

As in the case of game, we are making an inventory of our game fish. Initiated in 1956, this inventory and the management resulting will call for technical men and more trained conservation officers.

For the past 10 years or more, there has been a consistent increase in hunting and fishing pressure. This is reflected in the revenue from licences which has increased from \$1,193,000 in 1944-1945 to \$3,989,000 in 1954-1955 and to \$4,154,000 in 1955-1956.

Moose hunting licences issued totalled 9,990 in 1955-1956 as compared with 1,528 in 1944-1945 and 10,320 in 1954-1955. Deer licences were up from 41,039 in 1944-1945 to 113,200 in 1955-1956 and angling licences were up

from 88,842 non-resident in 1944-1945 to 377,220 in 1955-1956.

The government recognizes the importance of research in solving our renewable resources problems. In addition to our wildlife surveys, our scientists are carrying on fur management programmes, for example, to estimate habitat, feeding habits, and reproductive capacity of fur bearers.

In the silvicultural projects established in the past 5 years, we have sought to assess the factors affecting regeneration of the commercially important 3 species. The second phase was experimental cutting, and the third and latest has been the evaluation of results.

Field work in the classification of forest sites has covered approximately 6,900 square miles in the past year. Also made were preliminary maps covering 3,000 square miles.

The division of research also has participated actively in sea lamprey control research. Ontario, as the only province bordering on the Great Lakes, has been active in this field for some years. In fact, it was because of the strenuous efforts of this province that the international Great Lakes fisheries commission was formed after international interest was aroused. We intend to remain actively in the field of lamprey control and biological research.

We are progressively making a synoptic survey of the Great Lakes, doing Lake Ontario last year after having done Lake Erie in 1955 and Lake Huron and Georgian Bay in 1954.

Last winter we made a considerable forward step in wildlife research when we tested several methods of censusing moose from the air from both Beaver aircraft and helicopters.

In forestry, research results have been lifted from small-scale trials and applied on a management scale under project regeneration. Procedures have been worked out for the regeneration of jack pine and yellow birch such as, for example, seed-bed preparation and

distribution of seed both by natural means and artificially. These give promise of being commercially successful.

In addition, the use of herbicides for controlling the composition of the forest has emerged as a major tool.

In tree breeding, a hybrid white pine, resulting from the crossing of Balkan white pine and native white pine, has proved 85 per cent. resistant to blister rust, the bane of native white pine.

Aspen hybrids are beginning to be highly regarded by company men as a source of rapid-growing pulp. A disadvantage has been that these hybrids could not be rooted from cuttings.

The tree breeding section has produced a hybrid of western cottonwood and large-toothed aspen that shows great promise in this regard.

In wildlife research, steps have been taken to reduce population pressure of beaver in certain areas of Algonquin park to give the remainder a chance to grow.

Under project regeneration, the importance of the impact of wildlife upon the forest was recognized. As birds and animals destroy seeds and trees, steps must be taken so that these effects can be minimized when it is desired to reproduce a forest. This was done for the first time in 1956 under project regeneration.

Research personnel are continuing to inquire into the causes of fluctuations in the abundance of fish. Meteorological conditions, particularly temperature, are a major influence in determining the abundance of smallmouth bass. In the upper lakes, the sea lamprey continues to reduce the lake trout population and nullify the experimental plantings of hatchery fish.

Hybridization in trout has produced an excellent fish and this line of development will be pursued further.

The department's research work is being steadily improved in design and results through the application of statistical procedures by trained men, aided

by competent mathematical statisticians. The advent of the electronic computer or "brain" has made it possible to handle complex data in volume with an accuracy and speed hitherto impossible.

An example of this is the recent work on inventory of nursery stock at the tree nurseries to determine accurately stock on hand. The effect of this in making estimates of quantities available to the public is evident.

A method of censusing beaver populations by aerial transect, developed in Algonquin park, was tested in 8 forest districts in the fall of 1956. It appears to be reliable and should aid management.

Protection of our forests from fire and disease remains a problem of deep concern and great economic consequence. New methods and techniques are being constantly devised. Year after year, the need for more trained men in this field is more pressing.

It is sad to say that of last year's 1,017 forest fires—less than half of the 1955 total, by the way—302 were due to lightning and the rest were man-caused. Campers again led the list of human fire causes with 196 fires to their discredit. Careless smokers were responsible for the next largest group of fires.

As a result of these outbreaks, more than 155 million cubic feet of merchantable timber on Crown lands, valued at some \$2,870,250 in Crown dues only, was affected by burn. Cost of extra fire fighting was \$1,175,266. Salvage operations are being carried out where feasible, but much of the volume involved is inaccessible.

The most serious fire situation during the entire fire season, April 1st to October 31st, developed unusually early on June 8th and continued about 3 weeks. Fire occurrence was high, due to dry, spotty lightning storms in the Nipigon lake area of the Port Arthur district and the north central part of the Sioux Lookout district. In these two areas over 185,000 acres, or 85 per cent. of

the total for the whole province, was burned.

To combat fires, 4 helicopters were used last year for the first time, in addition to our fleet of more than 40 airplanes. Two helicopters had been used the previous year with good results. They are now equipped with aerial pumpers and two 30-gallon water tanks for direct assault on fires as they are spotted.

Serving of pre-cooked and frozen meals was developed and tested to some degree last year.

This experiment appears satisfactory as to production, storage and serving of balanced, nutritious meals on the fire line at an economy of cost. Tests of the meals were carried out at the training course held last summer at the forest ranger school near Dorset and at Cochrane, Sudbury and Sault Ste. Marie.

Present plans provide for production of 3,000 meals for the Sudbury district, where extensive tests will be made during the 1957 forest fire season.

An 18-meal emergency ration kit has been adopted as standard at a cost of approximately \$17 per kit.

For the first time, our aircraft are now equipped with VHF—very high frequency—radios. This innovation vastly broadens the effectiveness of our province-wide radio network and permits fire patrol planes and others in the air fleet to communicate with each other and with the ground stations in any part of Ontario on a number of channels.

In co-operation with the forest industries, forest protection training courses, inaugurated in 1953, were held again last summer. Each of the July courses lasted 4 days and consisted of lectures, discussions and demonstrations by experts from both the forest industries and the department.

The western course was held at a logging camp at Valora and the eastern one at Dorset. Attendance was about 140, and included representatives from the Ontario fire marshal's office and the

provincial police. Two provincial police officers are continuing on special duty with the department in investigating fire causes.

In this regard, there were 62 prosecutions and 56 convictions last year under The Forest Fires Prevention Act.

Our work is being aided by selected inmates from Ontario reformatories who have been employed by the department in fire suppression work for several years now, through the co-operation of the hon. Minister of Reform Institutions (Mr. Foote). This calls for pre-season training which is carried out at the district level. Suppression crews of 25 to 50 men were so trained at the Burwash, Burritts Rapids, Monteith and Fort William institutions.

Our district staffs also train fire crews which are required on each summer woods operation.

One of the most important steps taken by the department in 1956 was the programme for improved forest fire protection in southern Ontario outside the established forest fire district. Seven townships in Bruce and Grey counties already have been included, at their own request, in a new fire district.

A survey of protection requirements is under way across the southern part of Ontario—in the Pembroke, Kemptville, Tweed, Lindsay, Lake Simcoe, Lake Erie and Lake Huron areas.

A series of training courses beginning in March is being held this summer in these districts. We are bringing our top forest protection men in from the north to give the benefit of their experience to representatives of municipalities and others interested in fire protection throughout the almost 50,000 square miles of the province not now within the established fire district.

Might I explain that the growth of county and township forests, conservation authorities and so forth in southern Ontario in recent years — projects in which the department co-operates with the municipalities—has seen the forestry stake in the south growing bigger

annually. This is why we have launched our programme of education and training so that municipal fire forces might benefit from northern technique and experience.

The privately-owned forests of southern Ontario are valuable to our forest economy. We are continually being asked for help and advice when there are forest fires in these southern areas. Therefore, we are taking these steps to see that the owners know how to protect these properties. The work will be of an educational and consulting nature.

Also, we are expanding the fire district further south to take in more of the forested townships.

In addition to a fine system of public parks, Ontario undoubtedly possesses the most attractive recreational and vacation areas to be found anywhere. These are important, both economically and as a vital part of our way of life, and so require planning and wise management for best present and future use.

Of this province's more than 400,000 square miles, 80 per cent. still remains in the "public domain" or, as we call it, "Crown land." Ontario is almost 1,000 miles across and, by comparison, more than 100,000 square miles larger than Texas. Yet, about 80 per cent. of Ontario's population of 5.5 million live in the 60,000 square miles of southern Ontario bordering the Great Lakes south of Georgian Bay.

This being the province's chief agricultural area, most of the land is privately owned. At present, our total annual land sales approximate only 25,000 acres — 2,000 being recreational lands for private and commercial purposes. The remainder are for agricultural and commercial use.

Our present policy is to maintain as much land as possible in the "public domain" consistent with the requirements of recreation, farming and industry. We also acquire private lands when any large area becomes available.

Our population is growing and, with increased leisure and easier travel, rec-

reation has taken on a new significance in recent years. Many people purchase summer cottage sites to which they may return, year after year. In the western part of the province, 70 to 80 per cent. of recreational land sales are made to Americans.

People want vacation lands. We have them. To bring the two together for mutual benefit requires planning. But land use for recreational purposes must be integrated with other land requirements.

Our first attempts at planning of this kind were made in 1945. But it was not until 8 years later, in 1953, that land use planning for recreational purposes really got under way.

The forest resources inventory had made aerial photographic surveys of about 250,000 square miles of the province, and by 1953 much information, as well as new maps, became available. Zoning was planned under representative advisory committees and was begun in 1954. The work was enlarged under a new order-in-council in 1956.

We are stressing the importance of wilderness areas among other zone types for land use. We are moving now, before it is too late, to preserve for posterity the virgin beauty of our natural recreational areas, free from commercial exploitation.

This planning and zoning for various land uses is being carried forward by our new lands division. Such planning and zoning, we feel, is just as essential in the great recreational areas of the province as it has been proven to be in expanding urban and metropolitan areas.

Before going into the division of parks and speaking in some detail about it, I thought it might be well if I gave the hon. members of the House some information on how our parks group is set up. I primarily want to refer to the parks integration board, of which the hon. Minister of Labour (Mr. Daley) is the chairman and I have been vice-chairman. It is a group of hon. Ministers set up to plan and set

forth the regulations of parks in Ontario, and by this I mean the Niagara parks commission, our provincial parks, our St. Lawrence development area, and our conservation authorities. There are 4 places where parks are being built at the present time.

We have under the chairmanship of the hon. Minister of Labour a group of very finely trained gentlemen who represent each division of that parks integration board. In other words: one member from The Department of Lands and Forests, one from the conservation authorities, one from the St. Lawrence development area, and one from the Niagara parks commission.

They, in turn, inspect all the properties which have been submitted to the parks department as parks for Ontario. They decide whether or not they are essential or fit the needs. In other words, when a policy is set up, my department carries out these functions under the present parks division.

As hon. members are well aware, and as they will see in the estimates, there is a considerable amount of money available for parks this year.

The present expansion of our provincial parks programme, which had its inception with the establishment of the parks division in 1954, has involved the addition of more than 100 park areas, about 40,000 acres, in 1956, and the expenditure of some \$500,000 for new facilities and services.

Our parks expansion is necessary to meet the needs of our growing population and an expanding tourist industry. The park areas, large and small, have been either set aside for reserve and development or are in process of being acquired as provided for by The Provincial Parks Act of 1954.

Last year, Presqu'île and Long Point parks, which were under commission management for many years, were transferred to our supervision. Other park properties have been gifted to the province by individuals and municipalities. Some others we have acquired by purchase, such as the former York county park on Lake

Simcoe, and Kakabeka on the trans-Canada highway at the lakehead.

The Lake Simcoe park area will serve some 2.5 million people within a radius of 50 miles, and is within easy reach of the Toronto metropolitan area. It is the only sizeable recreational area on the Lake Simcoe shoreline still available to the public, since about 99 per cent. of other such lands have been alienated to private ownership.

In fact, there is hardly any place in that picnic area without "no trespassing" signs, due to the short-sighted policy of previous administrations. That is why we feel that adequate park reservations should be made now for the future use of our people.

The situation we have found on Lake Simcoe is all too common throughout Ontario. In years past, there was no thought of making provision for public parks on the shores of lovely lakes. Now, this government is faced with the task of acquiring park lands—and the expense of obtaining suitable lands in southern Ontario is very high.

The hon. Prime Minister (Mr. Frost) has said that this government will build a system of parks of which future generations can be proud. A good start has been made with an increase in the number of parks from 6 to more than 100 in the past two or three years.

Needed improvements and sanitary facilities have been provided in the past year where required. Picnic shelters, change houses, information booths, headquarters buildings, and employee housing have been included in this park face-lifting programme, as well as construction of access and internal roads.

I could go on to speak for a long time about the parks, but I imagine the hon. members will be asking questions and I will be able to enlarge on it as I go along.

I might say one of the highlights of the year is the continuation of our junior forest ranger programme, one of the finest examples of youth training any-

where. About 500 high school students again will assist our forest ranger and forest protection staffs during the summer as they have since the plan was inaugurated following World War II.

This plan of supplementing seasonal staffs with high school youths interested in forestry has not only relieved trained men for other pressing duties, but also has resulted in some entering the forestry profession, to the ultimate benefit of the department and industry, too.

In addition, with the ever-increasing need for trained personnel, we are following a policy of trying to fit our older men, long experienced in forest fire-fighting and other branches of the service, into less demanding posts where they can continue to be most useful. In this way, they are not lost to the department through fixed superannuation ages.

Through arrangement with The Department of Reform Institutions, we have been able to obtain the services of short-term inmates in various reform institutions in assisting with park improvement work as well as in forest protection. The results have been most satisfactory, especially in the opportunities for rehabilitation given such men serving short terms for minor offences. The plan is most popular.

It continues to be the department's policy to encourage career-minded applicants for employment, especially war veterans. Though complete figures are not available at the moment, our last report showed that 51 per cent. of the male staff are war veterans.

We have placed resuscitators at 42 strategic points across the province. Our district men are trained in their use and are training others. All our pilots also are qualified operators and able to handle them in emergency, especially on mercy flights which occur from time to time.

Last year, for the first time, we employed full-time safety men on large forest fires, and we are carrying our safety education programme throughout the department as well as to the public—including hunters, anglers and vacationists.

I might mention here that The Department of Public Works has been most co-operative in our building programme, particularly in such larger works as the Tarantorus hatchery and the building of the new district office at Kapuskasing, among others.

Co-operating with us, too, in a variety of ways, especially in reforestation, is The Department of Agriculture. We have arranged that the agricultural representatives in the various areas will act as liaison between farmers and The Department of Lands and Forests for the mutual benefit, we believe, of all parties.

Of great assistance, too, is the Ontario federation of anglers and hunters, and the many other sportsmen's and conservation organizations. They have done a tremendous job. In addition, the Canadian forestry association is to be congratulated in performing a most valuable educational service to the people of Ontario. It speaks with an unselfish voice and is doing particularly worthwhile work in its lectures to children.

Our system of trappers' councils also is functioning successfully, meeting regularly to further the interests of the trappers. Our trapline management has brought more stability to this important industry, and has given to operators a sense of individual security not before enjoyed. Proper farming of our fur resources through regulated traplines, and encouragement and instruction towards correct handling of the product, is proving economically wise now and, we trust, for the future.

I think the hon. members of the House would be interested in knowing, in a brief sort of way, that we have invested, this year, \$4 million of new money and I would like, briefly, to give the hon. members of the House some idea of where this money has been spent.

I mentioned we were embarking on a game and fish management plan in this province. We have started the project on this basis, that hon. members will vote the amount of \$97,000 towards this project.

We are of the opinion that an inventory of the game and fish of Ontario must receive a high priority, to assure their availability to hunters and anglers, because the money we receive from hunters and anglers is a considerable part of our revenue. The inventory must be instituted and extended during the current year if we are to realize our present inventory programme to be \$97,000.

This sum will be used to obtain the services of trained biologists, extending the inventory and supervising the necessary management.

Another very important phase, and it is already included in our vote, is \$800,000, which is the amount of money generally voted each year for forest protection grants.

I want now to give some of the reasons in detail and to develop a little story around them.

We are providing the sum of \$800,000 in our estimates to meet the increased demand for fire protection organization in the following fields—and this goes along with all the great development in the province. Any time there is a new development in the province, it means increased costs in lands and forests.

First, mining development. Activity in 5 new mining fields require special consideration in the establishment of 5 new ranger stations — for example, Atikokan, Manitouwadge, Elliot Lake, Timagami and Bancroft. All of these areas are in forested sections and constitute an increased hazard.

May I explain it this way: All these places are carved right out of the wilderness, and one just cannot leave a village or place like that without some sort of fire protection; not only fire protection within their own municipalities, but outside of the municipalities.

We are always concerned that if a big bush fire got started in the area, one of these new mining communities could be wiped out overnight. We are now taking steps to give them some protection.

There are presently 273 miles of access roads either contemplated or under construction, and in addition to that, the trans-Canada highway is being completed. All of these projects and roads require extra preventive measures.

Woods operations is a huge subject. Increased utilization of the forest area by pulpwood or logging firms has imposed a heavy responsibility for increased protection. Increased woods operations means increased areas in slash and logging roads and more workers in the woods, and consequently, greater fire hazards.

The benefits of fire protection are being extended in southern Ontario. I mentioned that before.

As new areas become more accessible, the public is turning more and more to the woods for recreation. Here again more people in the woods means an increased hazard.

We believe, with the funds being provided this year, we will be able to meet all the aforementioned demands.

In our parks situation, we are asking this year, for the first time, that the House vote us \$439,000 for parks, which is a major operation.

In the reforestation branch, dealing mainly with reforestation, in the southern part of the province, we are asking for \$30,000.

During the past 5 years, the division of reforestation has accepted, for reforestation and management under The Reforestation Act, some 44,000 acres of land from various counties, townships and conservation authorities.

Considerable planning has taken place in these lands during this period. We now intend to spend some \$30,000 in maintaining and developing these forests. These sums will be used for improvement, fencing roadways, fire guards, to control insect disease, plus agricultural and thinning work. The hon. members may have noticed many of the provincial forests need thinning, and this is a start in this direction.

There is also an increased cost this year of \$125,000. The years 1956-1957 saw an increase of over 50 million cubic feet, over the amount cut in 1955 and 1956, in our woods industry.

Based on known mill expansions in the woods industry, we anticipate the cut will continue to increase next season.

We are required to scale-measure this increased cut and are providing a sum of \$125,000 for this purpose.

In the Great Lakes fisheries, I know my hon. friends who live on Georgian Bay and in the Lake Erie district will be interested to know we are asking for \$89,000 for research this year, and that has been matched by a federal grant of a like amount.

For some years, the province has actively participated with the federal government in lamprey control in related fishery research in the Great Lakes. With the application in 1956 of the Great Lakes treaty between the Dominion government and the United States, an instrument was formed to implement a more intensive programme of lamprey control.

This treaty, in part, resulted from strenuous efforts made on the part of the province to protect international fisheries in the Great Lakes by obtaining international co-operation.

The province does not intend to prejudice our control of fishery resources. We will, therefore, continue to provide research services in this field, which cannot be obtained from our existing local research federal organizations.

Again, in relation to our expansion in parks and our new townsites, we need \$50,000 of new money for our survey grants. The department is embarking on a 10-year programme of retracement survey in southern Ontario, including the districts of Parry Sound, Nipissing, Muskoka, and the counties of Haliburton, Hastings and Peterborough. There are many townships in these areas where the original

plans were surveyed 80 to 100 years ago. Through timber operations and forest fires, the evidence of the original lines has disappeared.

In many cases, the monuments have been wiped out. In order to maintain the survey fabric of the province, it is necessary these lines be re-surveyed and monumented. In townships where settlement is sparse, provision has been made for annulling subdivisions where portions of land have not been alienated from the Crown. These surveys will enable us to determine the limits of the areas which will still remain in the Crown.

I think the most important part of our programme this year, and of which I spoke at some length last year, is our project of regeneration. I was talking at that time to the hon. member for York South (Mr. MacDonald), and I promised last year if the money was voted we would do something about it.

I have a complete report on it, but this year we have asked the Legislature for \$705,000 to expand this programme up and above what we had last year. This is an estimate and the perpetuation of the Ontario forests and industries, which are dependent on it, is a major factor in the stability of the provincial economy.

The sustained productivity of the forests is therefore one of the most important responsibilities of this province. It can be attained only by re-establishment of commercial value species following logging and fires, or a combination of both. The allocation of funds, therefore, for this specific purpose during the past year has appreciably accelerated the department's programme to stabilize and improve the provincial forests.

In 1956, about 20,000 acres of cut-over land were treated by presently accepted silviculture methods established from previous research. In addition to our normal programme, about 12,000 acres of cut-over and burned land were planted. This represented an increase of about 50 per cent. over the

previous year of departmental planting and seeding.

The establishment of several new nurseries, and the collection of additional seed, are providing for a larger planning programme. In 1956, our research will show more clearly and define the magnitude and general nature of the job to be done.

We are therefore providing an increase in the expenditure of \$705,000 in the fiscal year of 1957-1958, distributed as follows: management \$200,000, reforestation \$455,000, and research \$50,000. This will allow us to prepare for a planning programme of 100 million trees annually, which will conform to the size of the task at hand, and to carry out silviculture treatment of 28,000 to 30,000 acres.

MR. A. WREN (Kenora): Mr. Chairman, before going into the details of the estimates and following the hon. Minister's remarks, I would like to say something from this side of the House concerning this very important department of government.

There have been some significant improvements in the administration of this department. Some criticisms are due the department, but by and large, at this stage of development of timber management plans and the general stabilization of the industry, it must be stated in all fairness that much has been accomplished.

I may say that, from conversation with men doing the actual field work in this department and in industry, much progress is due to the personality of the hon. Minister and his appreciation of the real difficulties of the men in actual charge of the various phases of policy.

Old ideas are hard to change, and in the north country there is always some apprehension about the thinking of younger men equipped with university degrees. Most of the personnel problems will solve themselves with the passage of time, but meanwhile I suggest the present policy of tolerance and patience is a good one.

Naturally, we are all interested in projected developments of the Anglo-Newfoundland Company in the Sioux Lookout area of my riding. There have been many years of promises and hopes — sometimes wishful thinking — but I do feel this time real progress will be made. Certainly every inducement has been offered to the company to settle many millions of capital dollars in that area.

The company has deposited, as evidence of good faith, a payment of \$250,000; not too much in consideration of the total projected investment, but yet enough to indicate some real and positive interest.

The government, I understand, has reserved a land area for a plant site. It has guaranteed access to the site from the town, and has assured the company that a rebuilding and paving programme on highway No. 72 will be implemented with an actual start on construction.

This, coupled with very valuable timber concessions, is to my mind about as far as any government could go until more evidence of good faith — actual commencement of construction — is displayed.

The company's timber concessions will assure a crop of wood in perpetuity under present timber management plans. It is time this community and its surrounding area got a break and, I repeat, I really believe that break is coming.

I am sure, or at least I hope I am sure, that the government would be prepared to make some further concessions if it would assure adequate capital financing which might not otherwise be available. I think this field of capital investment is another field in our natural resources development where companies, either in their formation or in their operation, must operate in a financial climate in which they can breathe — and breathe deeply.

The citizens of the community were disturbed to observe the gradual but real exodus of the saw milling industry from the town. It is now reduced to practical oblivion, despite assurances that the saw

mill operation would be maintained when it was sold to the Great Lakes Paper Company.

Meanwhile, many thousands of mill-size saw logs leave the town daily with loads of pulpwood destined for production elsewhere. I sincerely hope the hon. Minister has not lost sight of the importance of this industry to the community, and that steps will be taken to restore it to its former status.

Certainly, when a pulp and paper mill is established, there will have to be the processing of timber into lumber materials from the mill's harvest of wood under proper cropping conditions.

I leave these matters in the hands of the hon. Minister, in the hope that our interests will be carefully guarded.

I am going to another matter and other details of the department.

Statistics can be boring, and sometimes meaningless, serving only to lose an important point of discussion — so within the confines of my remarks it will be sufficient to say that our annual take of fur is impressive indeed. The fish and wildlife division of the department do a particularly good job in my area.

Then, of course, we have a tourist area second to none. I am not too concerned with the future of the tourist industry for I know it will continue to progress and prosper under proper research, conservation and supervision.

It might be interesting to hon. members of this House to look at the very excellent annual report of the department, and in some of the figures therein they will note that, in the riding of Kenora, we have a "moose population" which exceeds the human population of a good many of the smaller cities and towns in southern Ontario.

To be exact, according to the department's estimate, we have 16,285 moose in the riding, and 6,264 caribou in the northern regions, so you can see, Mr. Chairman, that our big game hunters are going to continue to focus their attention on the northern part of

Ontario when they plan their annual trips.

Along with this, in the entire province there are 1,647 licenced tourist outfitter's camps, and 396 of those camps, according to the report, are located in the riding of Kenora.

I would point out another feature there, which gives some of us some concern, is that 109 of those 396 camps are now owned outright by non-residents of the province, and most of these non-residents are American citizens. I would go a little further and say that, of the remainder, a good many of the camps in the area are at least controlled financially by citizens of the United States.

While it is not, perhaps, within the provision of this department to do much about it, I think the time has approached — it is not approaching — when some form of financial assistance should be granted to the establishment and expansion of these essential Canadian natural resources industries. After all, the 1,627 tourist outfitter's camps which extend from French River to the Manitoba boundary attract some \$80 million annually and give employment to 20,000 people. That is an important industry indeed.

As I have said, the tourist industry is well able to look after itself, but I am deeply concerned about our fur trade, first, because of somewhat disappointing market prices now in effect, but, more important, in the manner in which our furs are marketed. It is doubtful if there is another occupation in the province in which one would find more unscrupulous business practices than in the fur trade in Ontario.

I have a resolution on the order paper concerning fur marketing which I will be prepared to debate at the proper time when that order is called. But, meanwhile, I do direct the attention of the department to several desirable proposed changes in the present scheme of things in regard to furs.

First of all, I submit we should require fur buyers not only to report on the

number of pelts purchased from a particular licensee, but that report should also contain sworn statements of the moneys paid to a particular licensee from the fur purchaser.

The variation between purchase and sale prices is very wide indeed, coupled with the added robbing of the Indian population, particularly in profits obtained on goods traded in exchange for the furs.

The producers in the province are the victims of the most vicious kind of exploitation, and the exploitation falls most severely on those least able to bear it. It produces in the end a vicious circle of circumstances.

Our provincial welfare agencies are now available to the Indian people, but the operators in the fur trade are receiving the actual benefit while the people concerned suffer acutely, and will ultimately become charges upon the province if we do not do something for them.

I do seriously suggest that we do 3 things which might come within the scope of the department:

1. Rigidly control the licencing of fur buyers and ruthlessly cancel licences of those victimizing the native trappers.
2. Restrict all new tourist outfitter's licences in remote areas to the Indian population under the supervision, for a time, at least, of the Indian affairs branch of The Department of Lands and Forests.
3. Insist upon the continued use of Canadian citizens only as licenced guides.

There is a movement afoot to permit Americans and other non-residents to secure guides' licences. This, in my opinion, would be a backward step, first, in lessening employment of those whose lives and habits are instinctively in the woods, and, second, the danger to flaunting our own fish and wildlife laws and regulations.

There is already a substantial number of licenced outfitter's camps, as I said before, either owned or financially controlled by non-residents, and this trend

should be stopped, and stopped now. These things can be successfully accomplished with great benefit to the natives of the area.

In discussing the estimates themselves I may say that the receipts and disbursements of this department are certainly more realistic in their application than those of another department concerned with natural resources, even though the product of the forest and stream is not a wasting asset but capable of perpetuation through regrowth and conservation and management.

The hon. Minister's estimate of expenditure is just about the same as last year, and there will be no great increase in taxation, thus permitting the industries associated with the forests to continue expansion, payrolls, research, and all the things vital to continued development.

We have advanced from an era of bankruptcy in the paper industry to one of reasoned stability, and it has been accomplished through realistic measures of taxation. I still feel that some dues are a little high, but the hon. Minister continues to maintain a reasonable excess of receipts over disbursements and thus permit the industries to breathe and expand their chests.

Certainly the pulp and paper industry has become the greatest industry in Canada in which Ontario plays a major role.

I would warn against any thought of increase in costs through taxation and dues as it will have a regressive effect. The payrolls in this industry are significant indeed, and the tradesman enjoys a desirable standard of living within the industry and continues to share the wealth as each bargaining agreement expires and is renegotiated.

There is generally a good and a happy feeling between management and labour, except for isolated instances of areas of jurisdiction between unions in some dispute. I am confident these differences will be resolved when present contracts expire, and union and manage-

ment sit down to resolve further arrangements.

The Department of Labour will have to be a careful observer of such proceedings, for we cannot risk jeopardy to the industry through personal ambitions of a few who seek personal gain from these negotiations.

Management, on the other hand, could well consider taking their workers more and more into their confidence. These are proud men and women, proud of their place in the industry and of the corporations for which they work. They are in reality important partners in the whole scheme of things.

More attention could be paid to the individual unionist rather than more and more attention to some leaders; for there is some real apprehension among the workers who are loyal to their union yet cautious of how some of the controls and union discipline are exercised. Most companies have developed good public relations programmes among their staffs, but more direct and personal contact from senior management would well be appreciated.

There continues to be concern with the ever increasing price of newsprint, not only from the point of view of its cost to the trade, but from the point of view that we do not price ourselves out of some markets, or encourage development of supported production elsewhere. Many Canadian publishers find themselves in precarious positions of supply, and some newspapers in Canada go on the stands with filler sheets of upgraded paper simply because they cannot obtain Canadian newsprint.

It is all very well to expand foreign markets, but it is disturbing when Canadian publishers cannot obtain material, and yet must meet competition from imported publications using Canadian paper.

The hon. Premier of Quebec (Mr. Duplessis) took some drastic steps, but sometimes drastic measures are necessary if the industry does not discipline itself.

We all agree that expansion programmes of a capital nature are costly these days, but some disconcerting muttering has been heard across the line and has certainly developed intensive searches in the United States for substitutes. We have the whip hand while we possess the raw material another seeks to substitute, but we must use that advantage wisely lest we excite some unpopular and unprofitable investigations.

That is why we continue to propose reasonable scales of taxation and charges, so that the industry cannot suggest that their price increases are due solely to governmental costs. If they are able to breathe within our scale of charges, then the industry should anticipate that we are entitled as governments to peer over their shoulders to ensure that unreasonable advantage is not taken of reasonable charges.

First of all there should be, and must be, an adequate supply of paper available to our own firms at reasonable price levels. We hope the industry within Ontario, at least, will realize these "facts of life" and govern themselves accordingly. If they do, I think it is safe to assume that governmental interference will be kept to a minimum, although I am in no position to speak for the government of Ontario.

If they do not, then the cry for investigation could quickly arise. And the government must realize that they are not responsible only to themselves but also to the generations who follow them.

Our newsprint exports have dropped 8 per cent. in the last 6 years, and the drop may increase to 16 per cent. by 1960. We must be sure that political pressures and prices do not force the United States to shake off a measure of the dependence they may have on our source of supply. If they do, we might have to take up the slack in European markets, where our present prices would certainly be resisted out of necessity because of the inability of those countries to meet them.

I want to say a kind word on behalf of a little-mentioned division of the

department — the air service. A perusal of public accounts will quickly reveal the need of some immediate revision of salaries in this division. We have a fine staff of pilots flying under unusual circumstances, and covering large expanses of dangerous terrain in single engine aircraft.

Their salaries are far from adequate; in fact they average something like \$100 a week, even those in supervisory capacities. This is hardly fair at a time when pilots of like skill in company work are earning a great deal more, and earning it under more favourable conditions.

They are loyal men and do not complain too much. Before their complaints might reach a pitch, it would be a real gesture of appreciation to increase their salaries to more reasonable levels. Even with the fringe benefits they might enjoy, I suggest that no full-time pilot should be earning less than \$7,200 a year. The hazards, the conditions, and the special skills deserve special consideration. I hope the hon. Minister will take this matter under advisement.

I have also noted with some interest the use of prisoners in reform institutions, working under the direction of The Department of Lands and Forests. I must say, to be honest about it, I had some misgivings when this scheme was introduced, but seeing how well it has operated and how useful it has been in the reformation and rehabilitation of some of these people, I think it is well worthy of study.

It should be given careful study by other departments and other persons interested in the reformation and rehabilitation of persons convicted of crimes. I might go further and say that we might consider putting some people, who are prisoners, at doing some form of paid work, so that while they are under control of our reform officers, they will at least be maintaining their families' self-respect.

Another matter which is of great interest to me, and to the people of my riding, is the development of the parks

policy of The Department of Lands and Forests, in conjunction with the cabinet committee and other departments in the government. I agree with the hon. Minister that these recreational and vacation areas are very important to us. Our recreational lands are fast disappearing and the quicker we assume control of the desirable areas, where the nicer parks may be established, the better it will be for all of us.

I commend the hon. Minister for his development of Kakabeka Falls. Fort William is one of my home towns, and I am always interested in what goes on there. Kakabeka Falls, I submit, is one of the most beautiful pieces of scenery one could find on the North American continent, if not in the world. Once it is developed under expert landscaping people, and a park set up to care for the thousands who already visit the area and the thousands more who will, I am sure it will become one of Ontario's main attractions, and one which we in the north country will certainly be proud to have.

There is one aspect of the park programme that I do not particularly like, and that is the matter of charging for the use of some of these parks.

I do not want to go into this in any great detail, but I do want to say to the hon. Minister that to me, in this day and age when we are taxed for just about everything we can think of by our municipal, federal and provincial governments, I think admission to parks is something like the right to go out with one's fishing tackle and fish. I think it is one thing we should preserve for our people and for our children.

We should be able to go out and enjoy some of the bounties of nature without having to pay for the privilege. To me, a charge for admission to a park is something like a suggestion we had in this House some two or three years ago from organizations that would charge our citizens \$1 or \$2 to catch a fish.

Mr. Chairman, the activities of this department are watched very closely

indeed by all hon. members of this party in this House, and it is early yet to form any final conclusions on the timber management schemes and the associated activities set up by the hon. Minister and the government. However, I would say that, in the time which has expired, much progress has been made.

Each time progress is made, this party will in fairness say that it is so, but we will as quickly attack the government if we find that nothing is being done, or that something is done to the detriment of the department in the preservation of this important asset to the province of Ontario.

With these few remarks I would say we hope that conditions will continue to improve, that this government will not forget in any way, shape, or form the way our natural resources are going to develop in the north country, particularly through developmental investment.

I would say to the hon. Provincial Treasurer (Mr. Porter) that it is his responsibility for paying for services in this province, and that if he will just keep his hands out of the industrial taxpayers' pockets in the northern part of the province for a little while longer, he will get ten-fold the benefits returned to him than can be derived from the industries.

MR. G. C. WARDROPE (Port Arthur): I rise at this time to make a few remarks because the estimates of The Department of Lands and Forests are so important to my part of the country.

I listened with a great deal of interest to the hon. member for Kenora, and one thing that struck me quite forcibly was his remark about the past bankruptcy of the pulp and paper industry of this province and its present very prosperous state. I remember in my home of Port Arthur in the 1930's, when there was only a watchman in these tremendous plants, and there was general gloom and depression all through that area. I would like to take hon.

members' minds back to those days, and ask the hon. member for Kenora what government was in power at that time.

MR. NIXON: Well, if the hon. member wants an answer, it failed under a Tory government.

MR. WARDROPE: I am speaking of the time of our friend, Mr. Hepburn. I remember that time well, and since then I have watched the years pass with the continued prosperity under the hon. Ministers of Lands and Forests, such as we have today, who have brought about this great prosperity in this province and have been successful, in the last 3 or 4 years, attracting the investment of \$138 million in planned expansion in my area of north-western Ontario.

I want to congratulate the hon. Minister on his presentation today and we, as in other parts of this province, are very proud of the hon. Minister of Lands and Forests of this province. He is doing a great job for the people of Ontario, in fact, for the entire Dominion of Canada, and I would also like to congratulate his staff.

I have had dealings over the years with them and know them personally, and I was proud, this year, to be a sponsor of a bill making the association of professional foresters a reality, and I thank the hon. members of the opposition for coming along on that bill.

The reforestation programme mentioned is a tremendous move in the right direction, and I believe today we are more than planting a new tree for every tree that is cut down. That is something that has been the wish and the desire of the people in this province for a good many years, and I think we can safely say today that is being done.

The parks programme, that was mentioned, is a tremendous move in the right direction for the advancement in this province of health, recreation and so on.

I also want to congratulate Mr. Greenwood, the gentleman in charge of parks, who is present in the House this afternoon, for the great job he is doing. The hon. member for Kenora mentioned Kakabeka Falls, Lake Simcoe, Sibley, Quetico, and all the other beautiful parks in the north and those in the south.

I thoroughly agree with the charge to be made for services in these parks, because for that small charge the public is going to get places where men will be proud to take their wives and children, and where all facilities for their comfort will be provided. Mr. Chairman, such things cost money, as has been drawn to our attention today by the hon. Minister of Lands and Forests.

He also brought to our attention the greater use of our resources. The stepped-up use of poplar, pine and other former "weed" trees in the northern area will be proceeded with.

The hon. Minister announced a new plywood mill at Nipigon, in my riding, and also a new plywood mill for the Kenora district in the town of Dryden. These things are significant, and are going to add greatly to the wealth of the public in Ontario.

The junior ranger schools are another great thing, and I would like to draw to the attention of the hon. Minister the fact that many of our boys in the north are very anxious to be given an opportunity to get into those schools. I have seen them myself, and they are of great benefit to or young men. I would like to see those who intend to follow forestry being taken on as junior rangers in preference to those who want only some pleasurable holiday work during the summer. I think those who are seriously thinking about a future in forestry should be the first selected for junior ranger work.

To The Department of Lands and Forests of the province of Ontario I want to offer my congratulations for the work they are doing in the preservation of fish, and in their desire to see that our lakes are not depleted and that they will continue to be a great resource.

Mr. Chairman, I have concluded my remarks. To me, The Department of Lands and Forests is the most important in the whole of northwestern Ontario. It is a great wealth producing department for our people, and if we continue to give support to the hon. Minister, and to his great department and staff, we will see returned to the people of this province many times the amount of money that we invest in these resources. Not only will we see a great deal of money returned to the people of Ontario, but we will also see a great many benefits returned by way of health and recreation. I am proud to make these remarks, and wish to congratulate the hon. Minister on the excellent job he is doing.

MR. D. C. MacDONALD (York South): Mr. Chairman, I am very glad to see the hon. member for Port Arthur in such an expansive mood this afternoon. I visited his home town over the weekend and learned that the local press are saying that the hon. member might be resigning his seat in the House, and taking on the Rt. hon. C. D. Howe in the coming election. I suppose he is just flexing his muscles before taking on the great giant of Ottawa.

Mr. Chairman, I do not propose to cover a range of individual items which can best be dealt with on the single votes as they come up. But there is one major aspect of the policy of this department I would like to pick up from the estimates of last year, and review it in the light of what the hon. Minister said this afternoon.

I refer to what the hon. Minister has described as "project regeneration" in his concluding remarks in introducing his estimates.

I think this is by far the most important aspect of the policy of The Department of Lands and Forests. Last year the hon. Minister drew attention to the fact that this so-called "project regeneration" really has developed in 3 stages.

The first stage was the forest resources inventory through which we got

a detailed picture of exactly what resources we have.

The second one involved the completion of the establishment of management units.

Now we have come to stage 3, the so-called "project regeneration."

I think it is rather interesting—particularly in the light of the very generous remarks from the hon. member for Kenora regarding the progress that has been made—to review what the hon. Minister himself stated last year was the basic problem.

On page 1485 of *Hansard* last year, he indicated that his main problem was to sell industry, involved in the exploitation of these resources, the necessity of doing this job. I just repeat that without going into nearly the detail with which I predicted their attitude to the House last year. The essential point here is that literally two or three generations after the first report warning of the destruction of our forest resources the government is only now proceeding to implement the policies that would save our resources. Two or three generations after this first report, the government is finally coming to grips with this problem.

The hon. Minister pointed out last year his main job was to sell industry. This is what he said:

I think we are getting co-operation from industry on this effort and I believe we will continue to get it.

"I think we are getting it." Let hon. members note that. This is the year 1955-1956.

We have now under consideration this regeneration plan, and it has been under discussion for at least a year. It was brought out in the white paper, to let the people who are using the areas — using the timber on them — know that they have certain responsibilities as to what should be done, and we have to "sell" that to the people.

In other words, we have to sell to the industry the need for protecting the resources upon which it is based. Later the Minister added:

When we have our plan in effect and in operation for a year or so, then we will be in a better position to go to industry and tell them what we are doing, and what it is going to cost, and what their share is going to be, and I think we have a responsibility to do that. With that thought in mind, I am instigating that plan. It will go from the Ottawa valley through to Kenora.

I judge from what the hon. Minister and the hon. Provincial Treasurer said this afternoon, the government is still not in a position to say what proportion the cost will be, of doing belatedly this very basic job that government feels industry should accept.

When we get to the actual reforestation aspect of it, I think there are two divisions. There is the reforestation required, which might be called "current requirements", to place back into commercial production those vast areas which have been slashed off in past generations, and which today are lying as an economic wasteland until they have been put back into production.

When the Kennedy report came out some 10 years ago, it indicated that there were anywhere from 2.5 million to 5 million acres in that category, on which there had been either no regeneration or, if there had been any regeneration, it was of a commercially low-value species.

The report stressed that something should be done about these areas.

If one takes the reforestation programme which the government has at the present time — and we have an up-to-date version of this from the useful little handbook — we discover that the government planted 28 million trees last year, of which something like 16 million went on private lands, 4 million went on what are called government-sponsored or operated lands, and only 7 million on Crown lands.

In other words, this great area of Crown lands, which has been stripped in the past, which has now been handed back to the government as the trustee of these basic resources, has had something like 7 million trees planted on it this past year. If one takes 2.5 million acres, at 1,000 trees per acre, it adds to 2.5 billion trees. At the rate of planting only 7 million trees a year, this government will get this job completed in something over 300 years.

HON. MR. MAPLEDORAM: Mr. Chairman, the hon. member for York South continually tries to bring in this argument, and gets the two entirely different projects mixed into one, and tries to confuse the issue.

MR. MacDONALD: Well, set me right if I am wrong.

HON. MR. MAPLEDORAM: For one thing, the hon. member takes all reforestation and regeneration. It is normally assumed by the public generally that regeneration in northern Ontario covers, without any artificial reforestation, 80 per cent.

MR. MacDONALD: That is right.

HON. MR. MAPLEDORAM: And the hon. member continues to talk about millions of acres and all the rest of it. There are approximately 4 million acres of Crown land in the northern part of the province which has been burned-over or worked over. I do not like the word he uses most of the time. He generally calls it raping a forest.

MR. MacDONALD: I never used that term once.

HON. MR. MAPLEDORAM: I thought that was the term.

Anyway, I think the hon. member is confusing the issue. In The Department of Lands and Forests, we look at this matter as entirely two different projects. The figures of the hon. mem-

ber are wrong, for one thing, on the number of trees planted on Crown land. My figures show 12,499,755 as against 7,000 or something the hon. member is quoting.

MR. MacDONALD: I have the figures right here. Trees planted on Crown land, 7,757,000; trees planted on government-sponsored or operated lands, 4,100,000; trees planted on private land, 16 million.

HON. MR. MAPLEDORAM: That includes our county forests, for which we are the agents.

MR. MacDONALD: I am talking about Crown lands as opposed to county or private.

HON. MR. MAPLEDORAM: The hon. member is talking only about Crown lands, not Crown lands that we are administering.

MR. MacDONALD: That is right.

HON. MR. MAPLEDORAM: Well, there is a difference of 5 million trees.

MR. MacDONALD: No difference at all, if the hon. Minister is speaking about the same thing I am speaking about.

HON. MR. MAPLEDORAM: I do not think that I have tried to mislead the hon. member for York South. Last year, after the House prorogued, I went out across the north, along with several of my staff. The hon. member must realize that, along with everything else in lands and forests, there is an educational programme involved in this. It is not something which is done overnight.

About 50 per cent. of our problem, in getting this programme started, is to secure the staff and equipment to do the job, and that is costing a lot of money. We are still short of staff.

I said last year there was a selling job to do to industry, and that we would have to get some idea of the costs. I also mentioned last year that it would be a two- or three-year programme. I did not suggest it would all be done overnight.

For the hon. member's information, we have certain letters on file consisting of correspondence between our district people and industry generally, and I do not know of any large pulp and paper company which is not in agreement with what we are doing.

The most important thing I want to get across to the hon. member for York South is this:

He can mix in a crowd of 200 foresters, and listen to them all sitting around discussing how they would do this job, but he would not be able to get more than one or two who would agree it should be done the same way.

Every one of these people has his own idea on how it should be done, particularly in relation to companies. Some companies have their own selfish ideas about it.

We feel The Department of Lands and Forests is the most useful group to do this job. In other words, we are unbiased. We have 178 of our own foresters, in our department. We believe that, from those 178 foresters, we will accumulate enough information to do the job the way in which we would like to have it done, and not the way some company would want it done.

Therefore, we want to make sure we are going to have all this information in the right place, and then ask industry to apply it.

Industry has co-operated this last year. In many cases, companies have put into effect some of the suggestions we have set out.

It is along those lines we are working. I am not going to say whether it is good or bad, but we think it is the right thing to do, and have behind us the opinion of 178 forestry engineers in this province.

When we are fully sure what this thing means in dollars and cents, then we are prepared to go back to industry and say: "This is your share." That is what I want to say this year, and I said the same thing last year.

MR. MACDONALD: Mr. Chairman, I wish I could persuade the hon. Minister not to be so sensitive. I can assure him I am on his side, and I am very mindful of the kind of pressures with which he is faced. I am concerned with the problem of enforcing the policy he has announced, especially since many of his predecessors, through the years, have said they were going to be "new brooms", and sweep clean. Then after a time we heard nothing about it, and the policy was not changed.

I hope the policy will change, not only in words, but in action, regarding this regeneration project.

I made this comment last year in the House:

The government has the men, it has the facilities for expanding this programme of reforestation to at least 40 or 50 million trees with the basic facilities it has at the moment. All they lack is the money. If they had more money they could get more men and more facilities to raise the figure to 100 million trees a year.

What interests me is that this has now become government policy, because the hon. Minister announced publicly about two or three weeks ago this very increase. He has set, as his objective, 100 million trees a year. I am curious to know personally when he hopes to achieve it. Is it going to be in 5 or 10 years or what?

HON. MR. MAPLEDORAM: I believe we can put this into effect in 5 years. We have increased our production by many trees this year; somewhere in the neighbourhood of 4 million this year alone, and we are already setting up 3 or 4 new nurseries in the north.

The hon. member for York South has some conception of what goes into setting up a nursery?

MR. MacDONALD: I am aware of it.

HON. MR. MAPLEDORAM: These things are not done overnight. We have operated 5 nurseries for many years, and over 31 million trees were supplied from these nurseries during the fiscal year; approximately 16.5 million for Crown production and 14.5 million for others.

When we say "Crown planting", we are talking about county forests. We are responsible for such planting. We have an agreement for 50 years, so we believe it is our responsibility.

There were two small nurseries started in 1955 at Englehart and North Bay, and additional nurseries have been established this year at Sault Ste. Marie, White River, Schreiber, and other places. Each one of these projected nurseries has a capacity of a million trees. The plans at the present time are to further increase the production programme in the fiscal year 1957-1958.

Along with the endeavour to step up the nursery's current production, one must also step up seed accumulation and all the other things which go into setting up a nursery. I do not believe these things can be done overnight. But we are into this with both feet, and we have the co-operation of industry and of our own staff. We have accumulated a tremendous amount of information in the one year, and believe the plan is entirely feasible.

There are many ways of bringing on regeneration besides just planting a tree. The hon. member for York South is familiar with the different methods which can be used, and I think generally our people are doing a good job in this respect.

MR. MacDONALD: Now, Mr. Chairman—

HON. MR. MAPLEDORAM: I know the hon. member feels I am up in the air about this, but it is simply my way of talking, Mr. Chairman.

MR. MacDONALD: I am not saying that the hon. Minister is up in the air, I think he is right down on the ground, but all I am hoping is that we can get this programme into action a lot more quickly, for the simple reason we must catch up on generations of failure to act.

HON. MR. MAPLEDORAM: Let me assure the hon. member—

MR. MacDONALD: No, let me speak for a moment. The hon. Minister has made two or three speeches here trying to get his point across, but let me develop the other aspect of this whole question.

I think I am fully aware of the difference between the regeneration aspect of it and the reforestation aspect of it. In fact, the hon. Minister gave a breakdown of it last year in which he said that in an area cut-over, one can expect about 80 per cent. of it will regenerate itself, and that 20 per cent. will require artificial reforestation. But the hon. Minister now gives us a figure—if I may take a look at the backlog that is to be done—of 4 million acres on which we have to have a regeneration programme of some sort.

HON. MR. MAPLEDORAM: Just a minute, I said there were 4 million acres which have been cut over.

MR. MacDONALD: Yes?

HON. MR. MAPLEDORAM: I did not say there was no regeneration on 4 million acres.

MR. MacDONALD: What proportion of that requires regeneration?

HON. MR. MAPLEDORAM: I would say that probably 60 per cent. of it is good, that has something already coming up, in the case of a cut-over area

where a crop has been harvested and natural regeneration has set in.

MR. MacDONALD: Well, if 60 per cent. is regenerating itself, then 40 per cent. is 1.8 million acres on which we have to do an artificial reforestation job.

HON. MR. MAPLEDORAM: Oh, no.

MR. MacDONALD: Do not let the hon. Minister shake his head. If it is not regeneration—

HON. MR. MAPLEDORAM: How does the hon. member get it up to 8 million acres?

MR. MacDONALD: If we are not going to leave it as an economic wasteland, something has to be done by way of planting trees of the commercial species which will be of some value.

But the thing which interested me in looking over the hon. Minister's remarks last year, at page 1468 in last year's *Hansard*, he says:

Forest industries in Ontario cut between 300,000 and 400,000 acres each year, of which an estimated 20 per cent. will not regenerate to desirable species by natural means.

In other words, I trust I am correct in concluding that what the hon. Minister is saying there is, that one-fifth of these 400,000 acres will have to have artificial reforestation. Well, one-fifth of 400,000 acres is 80,000 acres, and 80,000 acres at 1,000 trees per acre means, to me, the current job of reforestation requires 80 million trees a year.

HON. MR. MAPLEDORAM: Again the hon. member for York South is confusing the issue. Just because there are 80,000 acres which have to be reforested does not necessarily mean that we are going to plant trees.

MR. MacDONALD: What is the hon. Minister going to do then?

HON. MR. MAPLEDORAM: Bring on some artificial regeneration. That is the point I was trying to make and which the hon. member says he does not understand. There are many ways of getting regeneration without planting trees.

MR. MacDONALD: Then the hon. Minister had better give hon. members more explicit details on this. On the basis of his own figures, those were the requirements, and now he says some of it is going to be done by a sort of artificially inspired regeneration.

HON. MR. MAPLEDORAM: I never said at any time we would have to plant 80,000 acres. I would think the only areas we would probably have to plant, or reforest, would be those which have been burned-over once or twice. In fact, where there have been two fires.

MR. MacDONALD: On the basis of our past backlog and our current needs, our present reforestation programme is only a token gesture toward meeting the need. I am not decrying that the hon. Minister is attempting to do a job of it, but he is gathering his forces and gathering his information at this stage in order to do a job which should have been started long ago. In Scandinavian countries it was started two generations ago.

HON. MR. MAPLEDORAM: I cannot take responsibility for the past. I am talking about the future.

MR. MacDONALD: I realize the hon. Minister cannot take the responsibility for the past. I would like to ask the hon. Minister a question.

Last year, when he was talking about the amount of actual reforestation, I cited the figure of roughly 7 million as the extent of reforestation by private industry. That figure was not disputed, was not questioned by the hon. Minister. Here is the question: What is the amount of artificial reforestation that is being done by private industry today?

HON. MR. MAPLEDORAM: What does the hon. member mean by "private industry?"

MR. MacDONALD: How many trees did private industry plant last year in addition to the number which the government planted?

HON. MR. MAPLEDORAM: I would think about 14 million.

MR. MacDONALD: In other words, they doubled the amount last year as compared with the year before?

HON. MR. MAPLEDORAM: Certainly, they are all set up for it, why should they not?

MR. MacDONALD: I do not like to look dubious when the hon. Minister gives me a 14-million figure, but I would be very much surprised if private industry doubled the number of trees they planted in the past year. If they did, why did the government not double theirs?

HON. MR. MAPLEDORAM: What does the hon. member mean by private industry?

MR. MacDONALD: Abitibi and all the other private companies.

HON. MR. MAPLEDORAM: Does the hon. member mean the tree farmers and all the other people involved, who are in the business of selling trees? That is what I am talking about when I say 14 million trees. I am talking about people in the tree business as well as those in the pulp and paper business.

MR. MacDONALD: How many did the pulp and paper companies plant? That is what we are mostly interested in; these people who cut commercially.

HON. MR. MAPLEDORAM: For miscellaneous uses, other departments, on private land, 14,411,380 trees.

MR. MacDONALD: That is what the department supplied?

HON. MR. MAPLEDORAM: That is right.

MR. MacDONALD: No, the hon. Minister has missed my point altogether. How many trees did private industry plant?

HON. MR. MAPLEDORAM: I have no idea.

MR. MacDONALD: Abitibi and those other companies, what sort of job are they doing?

HON. MR. MAPLEDORAM: Trees that they get from us, does the hon. member mean?

MR. MacDONALD: No, that they produce themselves. The hon. member for Halton (Mr. Hall) rose and chastised me last year because I was not aware of the reforestation efforts of one company—I cannot recall its name at the moment — but it is near Smooth Rock Falls.

HON. MR. MAPLEDORAM: Spruce Falls Power and Paper Company?

MR. MacDONALD: That is right.

HON. MR. MAPLEDORAM: At Kapuskasing. We have not any figures on that.

MR. MacDONALD: But this company is an outstanding one in this respect. Abitibi is not doing that kind of job. How many trees are the private pulp and paper companies planting?

HON. MR. MAPLEDORAM: I have no idea.

THE CHAIRMAN: We have had that subject for two hours now.

MR. MacDONALD: That is fine, I rose to get this matter settled, and the hon. Minister made two or three speeches in the interval. What is happening here is that we are dealing with a programme which should be in high gear.

HON. MR. MAPLEDORAM: May I say to the hon. member that there is no low gear in The Department of Lands and Forests, it is all in high gear.

MR. MacDONALD: I will tell the hon. Minister this—he has a programme which at best is moving at a snail's pace at this stage.

HON. MR. MAPLEDORAM: In the hon. member's estimation.

MR. MacDONALD: Yes, and I will give the hon. Minister credit that he got the snail into second gear, but I am not sure, from reading the figures here, that it is not in reverse now.

MR. R. WHICHER (Bruce): Mr. Chairman, I have been looking over and comparing various provinces with respect to receipts in the estimates, and I find in 1955-1956, in the province of British Columbia, they had revenues of over \$30 million in their forestry department and their expenses were in the neighbourhood of \$10 million. In other words, they netted about \$20 million.

I am not trying to trick the hon. Minister into this, but I wonder if he could make any comment as to why British Columbia should make a net of about \$20 million, when we have very little?

HON. MR. MAPLEDORAM: I think there is an entirely different situation as between British Columbia forestry and Ontario forestry. British Columbia produces about 65 to 70 per cent. of the lumber sold in Canada, and of course when one compares a saw log in British Columbia to a saw log in

Ontario, it is an entirely different situation.

I do not know just how much ground their department covers. There may be a lot of things covered by The Department of Lands and Forests in Ontario which are not included in the British Columbia set-up. I have never compared the two provinces in that respect, and I am sure I cannot give the hon. member the information he seeks.

MR. WHICHER: One thing which struck me about the problem is that their salaries there amount to \$1,746,000, whereas ours are \$12,798,000.

HON. MR. MAPLEDORAM: I would not think they would have one-quarter of the staff we have.

Vote 901 agreed to.

On vote 902:

MR. P. MANLEY (Stormont): Mr. Chairman, on vote 902, surveys branch, there is something I would like to bring to the attention of the House this afternoon, which concerns our part of the province and that is the boundary between Ontario and Quebec.

I realize that this has been a bone of contention for some time, Mr. Chairman. I have mentioned it before in the House on different occasions.

The conservation council of Stormont, Dundas and Glengarry has made representation before the committee on lands and forests, fish and game, and we have a situation there where fishermen and sportsmen go into the St. Lawrence River and the Lake St. Francis area, and there is not a definite boundary line. They are picked up by the Quebec authorities, and are hauled to their court and are fined.

I think it is time something should be done about it. It is very embarrassing to those people in that part of the province. They do not go out with the intention of breaking the law, but the boundary is not defined.

A year ago, we thought that we had some progress in the offing, because we did have a meeting in Cornwall, attended by some of the officials of The Department of Lands and Forests from the province of Quebec, and some of those from our Ontario Department of Lands and Forests. We thought from that meeting definite progress was going to be made.

However, we find that the situation has not been resolved and if it is not possible for this situation to be cleared up by The Departments of Lands and Forests in this province and the province of Quebec, then someone in higher authority, such as the hon. Prime Minister or the government itself, should make a definite step and make it now, to clear the boundary line in the St. Lawrence River and Lake St. Francis area.

As I said a moment ago, it is very embarrassing to these people who buy their licences to fish, the same as they do in any other part of the province, and are placed in a very awkward position when they are picked up and hauled into court and have to pay fines under the fishing laws.

I would like the hon. Minister to inform the hon. members this afternoon what progress has been made, and if his department will be able to overcome this particular situation which exists at the present time; and if not, then I would like the hon. Prime Minister to inform the hon. members what is going to happen, because it is very important to the people in that part of the province.

HON. L. M. FROST (Prime Minister): Of course, the problem has been outstanding since Confederation. As a matter of fact, the difficulty in connection with the boundary would probably go back to The Constitutional Act of 1791.

We have been able to get along fairly well over these many years, despite the fact there are some difficulties in that area. The situation therefore goes back 165 years at least, that we know of, and there might have been some difficulty

before that, but it arises in relation to certain interpretations relative to the navigation channels in that area.

There are difficulties, Mr. Chairman. I think it is in the Lake St. Francis area, is it not, that there are difficulties in connection with the navigation channel?

We did discuss the matter with the Quebec government in the last two or three years, and I think at that time we appointed surveyors from both sides, Mr. Beatty on our side and Quebec's surveyor-general on the other. They were unable definitely to resolve the actual channel for a certain area.

But I think the coming of the St. Lawrence development project means that the channel will become very definitely established, and perhaps that may help to solve this matter which has been outstanding for all these generations.

MR. MANLEY: In the meantime, Mr. Chairman, are those people going to be subjected to the same treatment they have had over the past number of years?

HON. MR. FROST: If we can get this matter, which has been outstanding for 165 years, resolved in the coming year or two, we will have accomplished something of major importance.

MR. MANLEY: Then, Mr. Chairman, if I might ask the hon. Prime Minister, on what basis does he say that the St. Lawrence development project is really going to establish where the boundary is, as between Ontario and Quebec? The hon. Prime Minister referred to that, and I would like to get that cleared up a little more.

HON. MR. FROST: I do not know if it will resolve the question, but it would seem to me that establishing the bed of the stream to be used perhaps might offer a basis upon which a compromise could be accepted. I would not say that for sure, but I would think that it might offer some hope of resolving this very difficult problem.

MR. T. D. THOMAS (Oshawa): Mr. Chairman, I would like to ask the hon. Minister what inducements are given to the county or municipal councils in encouraging them to reforest some of the wasted areas that we find in Ontario? What inducements are given to municipal governments to go ahead with a programme of reforestation?

HON. MR. MAPLEDORAM: Mr. Chairman, as far as I know, they purchase the land and we supply the trees and management.

It is not a question of what inducement is given to the municipality. We give them the opportunity to go into the tree business in their area, particularly where sand has taken over. Such an opportunity is a good thing.

In addition, tree planting has a lot to do with the water levels in the agricultural areas. These county and municipal people are aware of this, and we have them coming to us now after many years and asking us to enlarge the forests. The funds are put into a central fund which can be used for enlargement, so they have the right to purchase from the department, or the department can purchase from them, one way or the other when it is written off.

MR. T. D. THOMAS: Further to that question, Mr. Chairman, how long is it maintained by The Department of Lands and Forests?

HON. MR. MAPLEDORAM: Fifty years.

MR. MacDONALD: Well, in maintaining these forest areas, there is some reforestation and some cutting of aging logs and timber and so on. What does the department do in circumstances where wood is cut out?

HON. MR. MAPLEDORAM: We call for tenders on it, and it is cut out in the forest areas where it grows.

MR. MacDONALD: It is always done on tender, is it?

HON. MR. MAPLEDORAM: That is right.

MR. T. D. THOMAS: Does the revenue then go to The Department of Lands and Forests?

HON. MR. MAPLEDORAM: No, we share it at the end of the 50-year period.

MR. J. P. SPENCE (Kent East): On vote 903, of The Department of Lands and Forests; has it been decided to make a charge for entrance to our provincial parks this year and, if so, what charge has been decided upon?

HON. MR. MAPLEDORAM: That has not yet been decided. There is general thinking that it would be in the form of a licence of \$1 or \$2, giving the right for any car to enter any provincial park anywhere in Ontario. The vehicle would not be confined to any particular area.

The hon. member should realize there are a lot of administration costs in these different parks that have been laid out, and when we get set up there will have to be a charge for tables and so on. It costs money to collect money. A fee to enter a park and the right to use equipment has been tried in many states in the United States. That in our view, is a far more desirable thing than to pin it down to just any park in the area. There would not be any charge unless there is accommodation to take care of the people, and some improvement on what we have now.

MR. SPENCE: There is going to be a charge this year in some of the parks?

HON. MR. MAPLEDORAM: We are in the process of getting that set up. There will be a charge as far as I know.

MR. SPENCE: Well, after the remarks of the hon. Minister, I would like to go on record as being opposed to any charge on any car entering any provincial park.

I am against the principle of an entrance fee charged to those who actually own our provincial parks, the citizens of the province of Ontario. This is the last item, until now, on which we do not pay a tax, and surely our natural beauty can be enjoyed by all. I believe this is a barrier which will prevent some of our citizens from attending our provincial parks this coming year.

I am greatly concerned, especially with regard to Rondeau provincial park which is situated in the riding which I have the honour to represent. This park was taken over by the Ontario government in the year 1894, and made a provincial park.

The citizens of Kent and the surrounding area have done a great deal to build this park to what it is today. The county of Kent has paved two roads which are the only entrances to this provincial park, for which the taxpayers of the county of Kent have assumed at least half of the cost.

Also, I would like to say that the citizens of that part of the province have been visiting this park for 62 years, and when one realizes that they must travel over roads which have been half maintained by them, and then pay an admission fee, one cannot blame them if they hesitate to do so.

I believe this government will collect a tremendous revenue with the increased tax on gasoline, fishing, and hunting licences. Also, we find that The Department of Travel and Publicity spent \$480,000 this year to encourage tourists to come into our province. When these tourists do come into this province, they will be confronted with the annoying red tape of this admission fee.

I feel the government is scraping the bottom of the barrel, and instead of putting up a barrier they should be encouraging the tourist to visit our province where the finest of sports are taking place — swimming, boating, skiing.

I am one who believes the provincial parks belong to all the people of Ontario, whether they use them or not,

and the general upkeep of these parks should be taken out of the general revenue of the province of Ontario, for the benefit of all people.

MR. W. MURDOCH (Essex South): I would like to point out to the hon. Minister that the people of the adjoining county—Essex adjoins Kent—would be very happy indeed to pay for the upkeep of this park, if it were in the county of Essex for use by the inhabitants of that county and the city of Windsor.

In the county of Essex, and this is typical of many counties in the area, our lakeshores are rapidly disappearing into private hands, for cottages and summer homes, and at this point it is very difficult to get the land back for any kind of a park system.

In Essex county we have no provincial park, which is very unfortunate. We are so far away we seem to be forgotten on so many occasions, and although we do have some parks, they are municipal parks. There are very small parks along the shore of Lake Erie and they are taken care of by the municipalities.

MR. SPENCE: Is there a charge for using these?

MR. MURDOCH: The municipalities have to service these park areas, provide sanitation, yet the areas are used by people outside the borders of the municipality, and they consider these parks quite a nuisance.

I think the people of Ontario, whether at the municipal, county or provincial level, should obtain some of this land before it falls into private hands or, I should say, before it is built on. Some encouragement should be given to counties to assume lands for parks.

I know in Essex county there are only one or two areas, of 200 or 300 acres in extent, which can be acquired along the shore line, and in a few years these properties will be gone. The

county council is interested; the city of Windsor shows some interest, but there is just not enough public encouragement and enthusiasm to inspire them to take over the lands, and I think such a step should be taken.

I feel The Department of Lands and Forests has done an excellent job since setting up the division of parks in 1954, but I realize they cannot do everything at once, even though the hon. member for York South thinks they can.

I might say, while talking about the hon. member for York South, that I feel sorry for him. He lives in a riding to which he cannot confine his remarks because he does not know the situation there as I know these things about which I am talking, and so he spreads himself over the whole province, and when he does that he gets lost. I have some compassion, rather than a critical feeling, for him.

MR. MacDONALD: Just point out where I was lost.

AN HON. MEMBER: The hon. member has been lost since he was born.

MR. MURDOCH: If the hon. member does not know where he was lost, Mr. Chairman, how would I know?

I believe some thought could be given by this branch of The Department of Lands and Forests to making grants available to counties on a percentage basis. We have done this with other departments of government to encourage those things we think should be encouraged. We contributed grants to encourage the municipal establishment of fire departments, to meet the needs of this day. We contributed grants to the needs of the police department, to encourage municipalities to build up efficient police forces.

I think municipalities or counties can actually acquire some of this land, which is sliding away from the public so fast, and I think some encouragement, in the way of grants, should be given to them to acquire these lands.

When we look around the province of Ontario and check the different sections where there are good-sized provincial parks, we find there are no more than 30 counties where parks would have to be established, and that is taking into consideration the inside counties which have no shore line.

We think, with a grant of \$50,000 to \$100,000 to each of these counties spread over a number of years, acquiring park lands would not be too great an expenditure, and would encourage these levels of government to become conscious of the fact that now — and not 10 or 15 years from now — is the time they should be acquiring park lands.

MR. SPENCE: May I ask the hon. member a question? Could he name any county park or township park that charges an admission fee to enter it?

MR. MURDOCH: I know of no such park where they charge at the present time. I do know of a municipal park which did charge. It was more of a parking charge. After all, when a car is driven into the area it must be parked, and there was a charge by the municipality for parking the car. However, the federal government charges at all national parks.

I might say, owing to the fact that we do not have provincial parks in Essex county, for many years we have had private parks operating, where private enterprise has purchased lands and make a charge for people to enter. That has been going on for many years.

MR. J. YAREMKO (Bellwoods): The hon. member for Kent East has been very fortunate. I believe this area has had a park since 1892, and the county of Essex has not even one today, and it is only since 1956 that the people of Toronto actually have had a provincial park within a reasonable driving distance.

I refer to York county park, and I wish to congratulate The Department of Lands and Forests for having acquired it. Not only was it a wise move,

but I think it was a good business move, and if the department ever wants to sell it — which I think it never will — it could very easily recover the money.

If the hon. members would look at the map which was provided by the department, showing the dispersal of parks, they will see there was a big vacant hole until the York county park was acquired. The hole was this: that there were 1.25 million people with really no provincial park within ready access.

Prior to that there was the park at Midhurst. Mrs. Yaremko and I, during the summer, enjoyed driving out to that park, having a swim, and roasting a small steak, and spending a pleasant afternoon.

The park at Midhurst was, practically, the closest park to Toronto until York county park was acquired. It is more difficult to find parking space in the park than it is at Bay and Richmond streets, because the park is so popular and within easy driving distance and, indeed, it is a wonderful park. It is one of the nicest little parks in which I have ever been.

It has been my privilege and pleasure to enjoy York county park since York county has been responsible for it. It is a very lovely and comfortable drive to the park. I commend The Department of Lands and Forests.

However, I wish to say that when the people of the metropolitan area all discover the location of this park, The Department of Highways is going to have a problem and, indeed, their staff is going to have a problem, in accommodating literally tens of thousands of citizens of Toronto who will want to travel up there to have some fresh air and a dip. It is not the admission charge; it is the availability of space.

I remember, some 5 years ago, driving along the highway on a hot sunny afternoon with a bathing suit in the back seat of my car; driving 40 miles with water on both sides and no place to stop and have a swim. It is not the charge that bothers people, it is the availability of park facilities. If the department sets

out in its policy to make available such facilities for the people now, and for the people of the future, I doubt, if a reasonable charge is imposed—and I am sure it will be reasonable—that the people will refuse to pay. I am sure they will accept such a charge because there are 1.25 million people in the metropolitan area, and many tens of thousands of them during the hot summer weekends have no place to go. They will all be going to York county park.

My only regret is that I have always hoped this province, through The Department of Lands and Forests, would take over the islands in Toronto, and really make them into a provincial park, not only for Toronto but for the whole of the province of Ontario.

HON. MR. FROST: I am surprised to hear the remarks of the hon. member for Kent East. As a matter of fact, one of the beautiful natural possibilities in Ontario was operated under conditions that were nothing less than disgraceful, and the hon. member for Kent East would ask that the disgraceful conditions should persist there. It is true there are beautiful beaches and beautiful views there. The hon. member has said that providence endowed that place with those things. That is true, but apparently providence forgot to erect bath houses, toilets, outdoor fireplaces, and places to get hot and cold water. The result is that beautiful park has been lying there in such a state that we have not been getting our value out of it.

I would say to the hon. member for Kent East that this place has been exploited by a number of millionaires who have come from Detroit and elsewhere, for we see their licence plates. These people who took over the natural beauty spots have not been paying their proper taxes to that community. If there was ever any case of privilege in Ontario, that is a first-class example of a very beautiful place exploited by those few people coming there, who built very valuable and expensive houses and paid very little to this municipality for the upkeep of the roads and other services.

One of the first things we started to do was to make those people pay their just share. That is only right. They should pay a fair share of taxes to their municipalities, to the school boards and for other services.

Surely it is reasonable to make a small charge for providing fine accommodations in these places, including bathing facilities, washrooms and so on, places where, for a small fee, people can receive the benefits of hot and cold water, barbecue, fireplace and stove facilities, so that the "little man" who lives in Chatham or Wallaceburg or any other place can enjoy and receive at cost these good services.

It is a matter of using that park, of which the hon. member speaks, for the benefit of the people, and not for just a privileged few. We do not like to have this park segregated and limited to some wealthy summer residents with private summer resorts. We want the park available for the people of this province.

I think it would be a good thing if the hon. member would consider the advantages of that park.

I would say that Pinery Park, which we have acquired on the basis of a development that people can use, will attract thousands of people in this province who cannot afford summer cottages. These people like to take their families to a place where the bathing and other facilities are what they expect, and where there is clean, proper water to swim in, and to drink. It is in the interest of all of the people to develop a park system across this province of that sort, rather than to have some very beautiful rugged wilderness which very few people can use because there are no facilities available.

Our conception of this park business is one which has already been stated by hon. members here — a park for the benefit of the people, for the growing millions of people in this province. That is the way we are looking at it.

I believe with the parks integration plan, in which the hon. Minister of

Labour is very much interested — for I think he is the chairman of the parks integration board with the hon. Minister of Lands and Forests as the vice-chairman—that we are on the way to developing a park system which will be of great value to the people of this province, in any way hon. members look at it. I suggest to the hon. member for Kent East, for goodness sake let him not just leave things as they were, in their wholly undesirable condition, and condemn us, at least in his thoughts, for developing this public park system. Of course it is proper that people pay a service charge of some sort for the great conveniences they will receive.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Chairman, regarding the instance to which the hon. member has referred, I wonder if the facilities will precede the charges levied by The Department of Lands and Forests? I think it would be most unfair to levy a blanket charge of admission across this province on all parks, unless the public were assured beforehand that the facilities were sufficient to justify such a charge.

HON. MR. MAPLEDORAM: Mr. Chairman, I think I said specifically to the hon. Leader of the Opposition, that was our plan. These things would have to come into effect progressively, and there would certainly not be any charge unless we can give some service. There are plenty of areas where we just have a picnic table on the side of the road.

MR. OLIVER: If what the hon. Minister says is correct, and I assume it to be, it is not to be put in force all over the province; it is to be put in force only in designated areas where the services have been provided?

HON. MR. MAPLEDORAM: Persons going into a particular park would buy the licence fee for that particular park.

MR. OLIVER: With reference to the park referred to by the hon. mem-

ber for Kent East, a charge would not be put in respect of that park until some of the services which the hon. Prime Minister referred to were put in?

HON. MR. FROST: Yes.

HON. MR. MAPLEDORAM: A great deal of the services were put in there last summer. I would just like to give the hon. Leader of the Opposition an estimate of what we spent on Rondeau Park last year, \$45,750. That is a lot of money.

By the same token, take 100 parks, and the comparative increase in cost that is going along with them. We certainly must find some revenue with which to keep up this service.

I may say to the hon. member for Kent East that he is well aware of the situation down there. I know for many years the cottagers took that park over, and they were getting services in there under the commission-operated park.

I do not know whose responsibility it was, but certainly we had 3 areas, Rondeau, Long Point and Presqu'île, that to some extent were privileged places for people to go; they were not being operated for the people of the province of Ontario.

I drove into Rondeau Park; I have been to Long Point, and I found that the beaches were all taken up with lovely cottages, and they were paying only a very nominal figure, at somewhere around \$35 or \$40 a year rent. Here they were and one could not go across their properties to get to the beaches. We have the same situation on Lake Erie. The same thing has developed in our feature parks in Ontario, and I as Minister will not tolerate it.

MR. H. FISHLEIGH (Woodbine): Mr. Chairman, I would like to ask the hon. Minister, with reference to charging a fee to enter a park, if he will stipulate one thing.

For example in the American parks, they ask a lot of silly questions at the

gate. For instance at Yellowstone Park they will ask: "Have you any eggs with you?" or "Have you any beer in your car?" When I was asked this I asked: "Why? What about the eggs? Do they cook them in the geysers?"

The official said: "No. It is fish eggs we are after. People put the fish eggs in the streams and foreign fish get in the streams; and as for the beer, some people take the beer in and give it to the bears and the bears get intoxicated."

Those things, to my mind, are very silly — to ask those questions — and to give everybody the third degree who goes through: "What are you going to do in the park when you get in?"

There must have been 500 people fishing off the bridge there. It is called "fishermen's bridge." I presume people would be able to fish the rivers and streams for the fee they pay, but please do not ask them a lot of silly questions.

HON. MR. MAPLEDORAM: No. The head of the division is present in the House and he, I am sure, will take due note of what the hon. member has said.

MR. G. INNES (Oxford): I would point out to the hon. Prime Minister, and to the hon. Minister of Lands and Forests, that no one objects to paying for the facilities involved, but why pay admission to the park?

HON. MR. FROST: I would say to the hon. member that here is a fine, beautiful park that was just an enclosure we found with, mainly, as I say, a lot of wealthy people who were paying rents there —

MR. OLIVER: But it was a provincial park all the time.

HON. MR. FROST: Yes; but just operating — the hon. members should have heard the outcry from some of these people when we said: "This park is not for a privileged few."

I would point out, too, the conditions we were faced with down there in the bathing houses. The conditions were disgraceful. There were no facilities at all. Facilities for the people to use were discouraged by these people who were there. The last thing in the world they wanted was anything in the park which would attract a little family out for an afternoon in their automobile.

It is such situations we are attempting to remedy. We want to make it possible for the small family to visit there and use these various facilities. How it will work, is difficult to say, but —

HON. MR. MAPLEDORAM: I hope the hon. member is not misunderstanding us. He is not paying every time he goes into the park. After he pays the \$1 or \$2 licence, it is good for the year. He can go into any park in Ontario, and, certainly, the \$2 licence fee is not going to hurt anybody. It covers the number of people in the hon. member's car. He will not get involved in paying anything additional.

MR. J. J. WINTERMEYER (Waterloo North): For \$2 I hope these Americans are not going to get the exclusive right to use those parcels of land.

HON. MR. FROST: No.

HON. MR. MAPLEDORAM: No.

MR. MacDONALD: Item No. 903, research — I assume that is with reference to the establishment at Maple, is it? It is at the top of page 63.

Mr. Chairman, I would like to ask the hon. Minister a question with regard to this. I understand the staff at Maple, particularly the senior staff, has changed very completely in the last year or two, and that a great number of people have left. I am wondering whether the hon. Minister feels that we have not reached a point where the salary levels are too low and we do not seem to be able to hold this professional staff?

HON. MR. MAPLEDORAM: I do not know to what the hon. member is referring. Certainly we have not had any change of staff.

MR. MacDONALD: Is that the research group at Maple?

HON. MR. MAPLEDORAM: Yes, at Maple — that and all the others.

MR. MacDONALD: Does the hon. Minister mean to say that there has been no change in the staff in Maple?

HON. MR. MAPLEDORAM: There may have been one or two, but not any such great exodus as the hon. member is talking about.

MR. MacDONALD: I have been informed that there has been —

AN HON. MEMBER: The hon. member has been misinformed.

MR. MacDONALD: — that many senior people have left.

HON. MR. MAPLEDORAM: Not to my knowledge.

AN HON. MEMBER: The hon. member for York South is lost again.

MR. INNES: May I ask a question which has been brought to my attention? It is that some of the game wardens are not particularly happy at the moment with their salaries. There are some under \$3,000.

Is that on a graduated scale, or is there some seniority set up? What does the top man get, and who is the top man? Is it the game warden? What is he paid? Is there any starting wage?

HON. MR. MAPLEDORAM: Conservation officers, minimum salary, \$2,700 per annum; maximum salary, \$5,200; the average in the department, \$3,360. We estimate the cost to the department, to put a new man in the

field, to be \$5,280; and the average salary for conservation officers is \$3,360.

MR. INNES: The hon. Minister did not answer my question. They start at \$2,700. Are they graduated up?

HON. MR. MAPLEDORAM: That is right.

MR. INNES: What is the maximum?

HON. MR. MAPLEDORAM: I told the hon. member. The maximum is \$5,200.

MR. T. D. THOMAS: I wonder if the hon. Minister could tell us how many junior rangers were accommodated last year?

HON. MR. MAPLEDORAM: Roughly 500 at \$4 a day.

MR. T. D. THOMAS: I would like to commend the hon. Minister on that. I think it is a very worthwhile service, and I hope the hon. Minister will not take the suggestion of the hon. member for Port Arthur, who, not too seriously, suggested that the department should be much more selective.

HON. MR. MAPLEDORAM: I am inclined to agree with the hon. member for Oshawa.

MR. SPENCE: How much money was spent on provincial parks in Ontario last year?

HON. MR. MAPLEDORAM: \$575,000.

MR. F. S. THOMAS (Elgin): Toronto got most of it.

MR. J. A. C. AULD (Leeds): Who is responsible for parks particularly in my county, Leeds, as between The Department of Lands and Forests and the Ontario development board? I am not clear in my own mind as to where the jurisdictions of the two agencies apply.

HON. MR. MAPLEDORAM: I would say it is up to the parks integration board to decide. Has the hon. member ever written to the board in relation to that particular point?

MR. AULD: I have asked members of the board but I have not as yet—

HON. MR. MAPLEDORAM: I think the proper way to do it would be to write to the board. If the secretary of the board were to receive a letter he would tell the hon. member very quickly.

HON. W. M. NICKLE (Minister of Planning and Development): The St. Lawrence development committee comes under The Department of Planning and Development, and we are establishing down there the Chrysler memorial fund, and in the flooded area we are going to put a scenic highway.

But after the hon. Prime Minister set up the committee and the parks integration board, presided over by the hon. Minister of Labour, the hon. Minister of Lands and Forests, the hon. Provincial Treasurer and myself—we have done our best to try to point up the government's policy in relation to parks in the Chrysler memorial park down near the riding of the hon. member for Leeds.

MR. WHICHER: How much of that amount is chargeable to the federal government, if any?

HON. MR. MAPLEDORAM: The federal government takes responsibility for any area that is not delineated by the Crown. They take the stand that if the province of Ontario licencing area—

MR. WHICHER: The figure we are discussing is the \$100,000. Of that amount what are we going to get—

HON. MR. FROST: The accountants tell me that the amount we get from the federal government is \$120,000.

HON. MR. MAPLEDORAM: The more land that comes under licence, the less we get from the federal government.

MR. WHICHER: Under "other services"—what are these?

HON. MR. MAPLEDORAM: What vote is that?

MR. WHICHER: Vote 903, under "other services." There is a figure of \$1.8 million with no explanation for it.

HON. MR. MAPLEDORAM: This takes in a very large number of items. Does the hon. member want me to read them all?

MR. WHICHER: Well, I would like a couple of the larger ones.

HON. MR. MAPLEDORAM: It has to do with extra items like salaries and expenses of field employees in certain capacities, individuals supervising traplines, \$62,700.

This is not under district control; in other words, it is some project that is not related to the district but is under control of head office. It takes in items like fishing law protection and the operation of certain items under civil management.

MR. MacDONALD: Mr. Chairman, on vote 904, the government brought in a bill to assess expenditures, amongst the various companies involved with extra fire-fighting costs, and there was considerable discussion in the lands and forests committee, then the bill was withdrawn. The hon. Minister claimed that he was not fearful with respect to the big companies not doing the job, but the smaller companies might find this a financial burden and this was his comment at that time:

So I withdrew the bill, on the understanding that we have another look at it, and at the same time warn them that they had their job to do, and they admitted it.

What is the hon. Minister's feeling now in regard to that?

HON. MR. MAPLEDORAM: Actually, we are carrying on negotiations with a group at the present time. There has been no legislation brought in this year on it, but certainly they are no more happy with it than we are. I think the whole question of fire-fighting, suppression and cost involved is getting to be very big in Ontario.

I have had conversations with representatives of the industries concerned, and have been thinking along the lines of setting up something like the compensation board, in other words, some sort of system where there would be a fund built up and the money used to carry on education, and so forth, in regard to fire-fighting, and pay some of the cost, the government and the companies putting in some of the cost, and a rotating fund.

I think we must take a completely new look at this fire-fighting situation. We are also investigating some of the other provinces in relation to their methods of operation. There are some differences between what British Columbia is doing and what we are doing. We have a committee of our department, along with a committee from the industries concerned — in fact, there is a meeting projected I think for this week and I believe we are making some progress.

But, again, it is one of these old things, it has been sitting around in the department for many years, it has probably outlived its usefulness and probably is not as good as we would like to have it.

But any other thing brought in probably would hurt some of the smaller people. We can easily work out something that will fit the bigger people, but as soon as we bring the smaller people into it, they would be hurt and in some cases be out of business overnight, paying the costs involved in some of these fires.

I think there must be an entirely different approach. That is my opinion, Mr. Chairman.

MR. MANLEY: Mr. Chairman, may I revert to vote 903? The hon. member for York South rose before I had an opportunity.

In regard to parks, the hon. Prime Minister in referring to Rondeau Park said that American capitalists exploited that particular park. I wanted to ask a question.

I am concerned very much about the St. Lawrence development; are we going to have a wholesale issuance of leases to certain individuals to come in and establish cottages in that particular park?

HON. MR. MAPLEDORAM: We have already discussed that subject in the parks integration board, and we certainly are definitely opposed to it. I know there are opportunities in such areas where something like that could be set up and would probably prove remunerative. But, on the basis of what has happened in some of the provincial parks in the past, we do not think it is good policy.

MR. MANLEY: I certainly am glad to hear the hon. Minister say that because, although I think it is necessary that certain areas be given over to cottages or possibly a leasing of land to erect cottages, I do think it would be a very sad mistake if we were to let cottagers go in wholesale, as has taken place in certain parks in the province.

HON. MR. MAPLEDORAM: I agree with that.

MR. MANLEY: I am certainly very happy to hear the hon. Minister say that these situations are going to be overcome, and will not be permitted to happen in the part of the province from which I come.

Vote 904 agreed to.

On vote 905:

MR. WHICHER: Under "public information and education" in vote 905, I noticed for example in the "big four"

football games last fall there would be slogans such as "Watch forest fires", and that sort of thing. Is that some of the department's advertising?

HON. MR. MAPLEDORAM: That is right.

MR. WHICHER: What would that cost?

HON. MR. MAPLEDORAM: Was this a radio broadcast?

MR. WHICHER: No, television.

HON. MR. MAPLEDORAM: It did not cost anything. The Canadian Broadcasting Corporation does all that free. That is one instance in which they did so.

MR. WHICHER: Ottawa did that? Now, under "fish and wildlife" in vote 905, I have heard the hon. Minister talk about the policy with regard to hatcheries. I believe that it is now known that rainbow trout fishing is increasing in some of the areas of the province, and I wonder if he could say why he believes that has come about. Is that because the hatcheries are putting rainbows in, or are the American hatcheries doing it, or what is situation in that regard?

HON. MR. MAPLEDORAM: Does the hon. member mean that the rainbow trout is more numerous in the province?

MR. WHICHER: Yes.

HON. MR. MAPLEDORAM: I was speaking specifically about Kamloops trout, I said that we were using aircraft to distribute them in the southern part of the province, and supplementing some of the pressure on the speckled trout.

MR. WHICHER: Well, what are Kamloops trout? I do not know.

HON. MR. MAPLEDORAM: It is a variety of trout, and an important variety.

MR. WHICHER: The point is, if it is successful, why does the department not use the hatchery which is available?

HON. MR. MAPLEDORAM: We have never said anything else, we have always contended that sport fishing means a good deal as far as the hatcheries are concerned. We could use all the spawn for sport fishing we can get from the available amount of eggs for that type of fishing. We have never had any trouble in that respect. Our problem in relation to lake trout and whitefish is entirely different.

MR. WHICHER: What about the hatchery in Southampton; why can that not be opened and have rainbows developed there? It is closed, why can it not be opened?

HON. MR. MAPLEDORAM: We feel that we have enough hatcheries to take care of our present sports fishing pressure.

MR. WHICHER: In other words there is lots of sports fishing?

HON. MR. FROST: Is it some kind of lake trout hatchery?

HON. MR. MAPLEDORAM: That is what it was.

MR. WHICHER: I do not know whether or not it is, but my question is, why could it not be used for rainbows?

HON. MR. FROST: Mr. Chairman, I went out the other night with Dr. Harkness of the department, and I received quite a generous education on this subject. I learned some things I did not know before, and I think the hon. member for Bruce might profit from doing the same thing I did.

MR. WHICHER: I would be very glad to do so.

HON. MR. FROST: Here is the situation as I understand it. Due to the depredations of the lamprey eel, it has

been impossible to get sufficient fish spawn and so forth from the Great Lakes for the propagation of lake trout, which to an extent has fallen down; I should not say to a negligible amount, but it has fallen down to the extent that it is just not possible to use certain hatcheries at all, and that may well be the reason that the Southampton hatchery is not being used.

The department is trying to develop other things to take the place of these varieties, and that is why Kamloops, rainbow trout, brown trout and others are being brought in. It is possible to get the eggs to propagate that type of trout.

I was very much interested in one of Ontario's very greatest of areas, that is, the Haliburton area, in relation to this subject. It is impossible to obtain at the present time lake trout to meet the requirements of that area. There was some talk, at the meeting which I attended, of taking lake trout from these small lakes and using them for propagation purposes.

But, if that is done, as I understood it from Dr. Harkness and his men, we would then spoil those particular lakes and would not get enough trout eggs for all.

Apparently the problem now is that of stocking many of these lakes with a different type of trout, and hoping that lake trout will come back in the course of time, when either this lamprey eel business runs its cycle or some method of controlling it is found. It may be that the lamprey eel will run its cycle; that is only my own thought, I did not get that from any of the experts. But it may be that some other thing — termites or something that the hon. member for Woodbine talks about — will come along and eat the lamprey eels. We hope that will be the case.

In the meantime, I think the resources of the department are being turned to other types of trout which may be more successful from the standpoint of sports fishing.

I acquired that knowledge the other night in listening to these gentlemen.

MR. WHICHER: That is generally the knowledge that I got, Mr. Chairman, and I agree heartily with the hon. Prime Minister. My question is: that if there are some other trout which are coming back in Ontario, why could not some of these hatcheries that are closed, for example, Southampton, be re-opened and used, let us say, for rainbow trout?

HON. MR. FROST: I have been very much interested in that question myself, Mr. Chairman, because I have been very much interested in fish hatcheries. I have not been too successful to date, but apparently it depends on various types of waters — spring water and that sort of thing.

MR. WHICHER: There is great water in Southampton.

HON. MR. FROST: That may well be the situation, but it has to meet

certain tests, and there are certain other conditions which are required. While the water might be very satisfactory for one type of fish, it may not be for another.

Votes 905 and 906 agreed to.

THE CHAIRMAN: It being 6.00 of the clock, I do now leave the chair.

MR. OLIVER: Mr. Chairman, may I ask the hon. Prime Minister what business is going to be proceeded with tonight?

HON. MR. FROST: After we finish with the estimates of this department, I would like to go ahead with these finance bills which we have talked about, Mr. Chairman.

It being 6.00 of the clock, the House took recess.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, March 19, 1957
Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Tuesday, March 19, 1957

Estimates, Department of Lands and Forests, continued, Mr. Mapledoram	1291
Corporations Tax Act, 1957, bill intituled, Mr. Porter, second reading	1295
Income Tax Act, motion to discharge order No. 62, Mr. Frost, agreed to	1314
Motor Vehicle Fuel Tax Act, 1956, bill to amend, Mr. Porter, second reading	1314
Motion to adjourn, Mr. Frost, agreed to	1337

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

TUESDAY, MARCH 19, 1957

8.00 O'CLOCK P.M.

The House resumed.

On vote 907:

ESTIMATES, DEPARTMENT OF LANDS AND FORESTS

(Continued)

MR. MURDOCH (Essex South): Mr. Chairman, vote 907, item 4: with regard to this vote, I am very glad to see that the grant to the Jack Miner sanctuary at Kingsville has been increased this year. I mentioned before that the province of Ontario neglected Essex County in regard to public institutions. For that reason we take a great deal of pride in thinking that the Jack Miner bird sanctuary is a public institution in Essex County.

The story of Jack Miner, I know, is well known the whole world over. For many years he lectured throughout the length and breadth of the North American continent. Of course, he wrote many books, many articles, and his studies and love of wildlife, along with his own special philosophy of life, endeared him to millions of people.

The sanctuary at Kingsville is now being carried on by his three sons, Manley, Jasper and Ted, who are well known to me personally; and of course many thousands of tourists visit the sanctuary every year.

As a result of Jack Miner's studies of wildlife, it was recorded through the banding operation, where a wild goose

was tagged and this goose lived to an age of 29 years. A duck was tagged which lived to the age of 23 years, which was checked through the banding made by Jack Miner.

The route of flight of our Canadian goose was first studied by Jack Miner and it appears through his studies that the Canadian geese spend their summers in the Hudson's Bay and the Baffin Bay areas and their winters in North Carolina and South Carolina.

Jack Miner was one of the first naturalists to discover that geese in flight travel over a long distance, many hundreds of miles, at a rate of more than 50 miles per hour.

Strictly as a tourist attraction, the Miner bird sanctuary has really given thousands and thousands of dollars' worth of newspaper and magazine publicity in the United States every year. The three sons of Jack Miner act as goodwill ambassadors, and of course many important people have visited the sanctuary.

A few weeks ago great tribute was paid to the memory of Jack Miner and the work he has done and also what his sons are doing today, and 33 United Nations delegates were taken to Kingsville to see what has been called one of the wonders of the world.

MR. GROSSMAN: They should have been kept there.

MR. MURDOCH: These visitors from the United Nations took part in the banding of the geese, a Jack Miner

band on one leg and a United Nations tag on the other. I know many hon. members have visited the Jack Miner sanctuary and realize that the upkeep of this beautiful area is quite expensive.

I understand that the actual cost of caring for the ground and for feeding the birds is approximately \$30,000 every year, the greater part of which comes from the free will donations of visitors, mostly residents of the United States. I am very happy that the province of Ontario is increasing the grant to the Jack Miner bird foundation.

Jack Miner was not the only Canadian naturalist to be an outstanding lover of wildlife. Yet it is true that the name of Jack Miner stands for the whole movement of game preservation and conservation.

I would like to point out to hon. members that it was not "Watt," but a succession of inventions that made possible the invention of the steam engine. It was not "Bell," but many electrical experiments which made the telephone possible, and Jack Miner in this sense has given the whole world the bird sanctuary.

It is no exaggeration to say that the sanctuary of Jack Miner is world famous. From all quarters of this continent, and even from lands beyond the sea, visitors pay homage to his shrine at Kingsville and view the work which he accomplished.

Therefore, Mr. Chairman, I am very glad to see that the grant of this province to this foundation has been increased as encouragement to this great work and in memory of Jack Miner, a great naturalist.

Votes 907 to 909 inclusive agreed to.

HON. MR. MAPLEDORAM (Minister of Lands and Forests): Mr. Chairman, before closing my estimates, as if I have not made enough speeches for the hon. member for York South (D. C. MacDonald), who accused me of making many speeches in the House, I would like to point out there is one

very important announcement I want to make and that is to tell the hon. members of the House that we are planning an hon. members' tour this year.

I would be very remiss in my duty if I did not inform the House of that, so that hon. members can set an approximate date. We have decided on it definitely, but I would like hon. members to set aside the dates from August 19th to August 31st, and I am sure we will be able to take them into some very interesting country where they will see some of the many things that are going on in relation to my own department and that of the hon. Minister of Mines (P. T. Kelly). I hope all hon. members will take advantage of the tour, as I personally always find it very interesting.

There is one thing particularly, Mr. Chairman, that I thought the hon. member for York South might have made some comment about, and that is that salaries in The Department of Lands and Forests have been increased this year.

MR. MacDONALD: Note.

HON. MR. MAPLEDORAM: I heard the hon. member make some reference to Lands and Forests last week in the House in relation to casual employees. If hon. members will look at the little appendix which was put on their desks yesterday, showing the breakdown of our report for the year, they will realize, of course, that it is a report made up to 1955; they will notice that generally speaking we have a staff of 2,400 who are permanently employed across the province. I think last year we had about 612 or 615, as casual, I am not sure of the figure, but it was around the 600 mark generally, who were on the casual staff. As of today I might say we have reduced that number to 343. Of this 343, the group who have spent from one to three years in the department numbers 203. In the group from 3 to 5 years, the number is 73. In the 5 to 10 year group, 33

and in the 10 to 20 year group, 13 people.

I think the House should understand that there are many reasons those casual employees do not become permanent employees. Sometimes it is beyond the scope of the department concerned to do anything much about it. To me it appears to be a question of whether one wants to employ these people, or whether one does not want to employ them; whether one is doing what is good, or what is bad. I think it is high time there were some remarks made about this particular subject, and I am making a point of saying so tonight.

As far as I am concerned, any employee who works in The Department of Lands and Forests and has the qualifications, should be moved from casual to permanent employment in one year, and for those people who are employed on my staff who, due to the type of job they are working on, do not have any possibility of putting in the required number of days in a year to become permanent employees, I have now made arrangements for them to carry on their Blue Cross and other such benefits the same as they would if they were permanent employees of this province.

It must also be realized that there are humanitarian reasons in some of the things we do. I do not think anything has ever been expressed in this House, as to the reason some of these things happen, and I am going to tell hon. members why. Here are some of the outstanding causes why certain casuals have not been appointed to the permanent staff of the civil service:

1. The individuals lacking in certain qualifications, both academic as well as experience, for appointment to specific classifications.

2. The present time the district establishment is such that an increase or an addition to staff is not permitted.

Please note that "is not permitted."

"Casuals are appointed to the district staff as civil servants in the event a vacancy occurs."

I agree with the hon. member for York South in a lot of things that he said in relation to the civil service, but I want him to realize that I have had some experience in this field.

I have spent a lifetime in labour and working with labour and at no time do I want to see any member of my staff being discriminated against. I thought I made that perfectly clear to all persons on my staff. I do realize there are certain regulations that have to be followed and certain things you can do and certain things you cannot do. I, as the Minister, might want to put all these people on the permanent staff but the civil service says to me that I cannot do that. It may be that we have to do a little overhauling of our Civil Service Act.

MR. MacDONALD: Hear, hear.

HON. MR. MAPLEDORAM: Now 3. Casuals are not appointed as civil servants because of their age. In other words, they are past the age when they can enjoy the benefits. The civil service says to them they cannot become permanent employees. What are we going to do with these people? Throw them out of work? No, we are going to take advantage of the benefit of the experience they have and do a fair job.

Paragraph 4. In some instances casuals are unwilling to join the staff as civil servants and prefer to remain as casuals. In other words, they want to be free to come and go as they wish, and we keep them on to gain the benefit of their experience.

5. The appointment of some casuals to the temporary staff depending on the completion of the ranger school course which they are taking at the present time. I do not know whether any of the hon. members of the Opposition have a knowledge of what we do in our ranger school. Mr. Chairman, I wonder if the hon. member has a copy of that.

MR. MacDONALD: No.

HON. MR. MAPLEDORAM: Mr. Chairman, I would like to have a page boy take that across to the hon. member for York South.

MR. WHICHER: That is favouritism; he is not the Opposition.

MR. MacDONALD: They are not interested.

HON. MR. MAPLEDORAM: I will send one to the hon. leader of the Opposition too.

6. In some instances an additional probationary period is required before the Minister can assess an individual's performance and ability. I think that is a weak excuse. But I do agree, in principle, with a lot of the things that have been said about the civil service and the civil service commission. I do not agree there has been nothing done in The Department of Lands and Forests. I say we have done a good job and we are going to continue to do a good job. I just want to be on the record that we have done something about the matters the hon. member for York South talks so much about and it is high time somebody told him.

MR. MacDONALD: Mr. Chairman, I am a little taken aback because I certainly have no recollection of making any specific reference to The Department of Lands and Forests in the matter of casuals. In my own mind I have always thought of The Department of Highways as being the great culprit on this casual problem, and I think, essentially, that is the case. But the main reason I rise is to commend the hon. Minister for the step he has taken, namely in any person who comes on the staff, within one year, if other circumstances will permit, will become a permanent employee. I think that is such a good step that I trust it will be emulated by every other department in the government.

MR. P. MANLEY (Stormont): I was very much interested in what the hon. Minister said about planning a trip

of the hon. members of the Lands and Forests committee to visit and see that particular part of Ontario. I am personally very much interested although I have been on a trip before to north-western Ontario but I think it is a very good idea to give the hon. members of the House an opportunity to visit northern Ontario because in that way we do get firsthand information as to what is going on within The Department of Lands and Forests, and then when things come up before this House we are sufficiently well informed so as to know just what the different people are talking about.

AN HON. MEMBER: Learn how to live.

MR. MANLEY: I would not just agree with the expression, learn how to live, because in our part of the province we do have a way of life. It may not just be the way of life in northern Ontario. Nevertheless, we will skip that for a moment. What I do want to impress upon the House is that the time for the trip mentioned by the hon. Minister of Lands and Forests was August 19 to 31. I am a farmer; no doubt some of the other hon. members of the committee are also engaged in farming, and, as a farmer, that is just the time of the year we are in our harvesting operation. I would say August 19 to 31 is, possibly, a little early. I think we could very well consider a little later date than August 19.

MR. MALONEY: That is the date the courts open, September.

MR. MANLEY: The hon. member for Renfrew South thinks a later date will coincide with the busy time for lawyers but I do not think we should be too much concerned, as far as lawyers.

AN HON. MEMBER: They can go any time.

MR. MANLEY: Nevertheless, in all sincerity, I feel that August 19 to 31 is

a little early. I would like the hon. Minister to give this a little more consideration, and possibly arrange a date that would be more satisfactory to the hon. members of the committee as to when they could visit northern Ontario and get firsthand information in all the different aspects of that particular part of the country and see for themselves the part it plays in the economy of the province of Ontario.

HON. MR. MAPLEDORAM: I had hoped that we would be able to make the trip from Toronto to Blind River by train, have some time in Blind River, and from there to Sault Ste. Marie. I thought we might be able to give the hon. members of the Legislature the benefit of a boat trip from the Soo to the Lakehead. At that time the boats would still be on schedule and we might be able to arrange it. I thought from the Lakehead we would go back to Manitouwadge and back to the northeastern section of the province. I realize there are many hon. members who would like to make this visit with us and so I confined it to a week or ten days. The last trip, while it was a very enjoyable one, I found it a little too long. The hon. members who stayed with it for the whole period, I think, found it a little tiring and it took a lot out of them.

Then, there is a question of accommodation and reservations and all the things that are involved in setting up a trip, but we will take in mind what the hon. member said, and do what we can to help on that point.

Hon. Mr. Frost moves the committee rise and report certain resolutions.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. C. E. JANES: Mr. Speaker, the committee of supply begs to report certain resolutions, and asks leave to sit again.

Motion agreed to.

HON. MR. FROST (Prime Minister): Mr. Speaker, before calling the next order I would advise the hon. members of the House that to-morrow afternoon I propose to call the estimates of The Department of Health, and the following day the estimates of The Department of Public Works. I think that should be ample notice.

MR. OLIVER: The hon. Prime Minister is doing better.

THE CORPORATIONS TAX ACT, 1957

Hon. Mr. Porter moves second reading of Bill No. 111, "The Corporations Tax Act, 1957."

He said: Mr. Speaker, I thought, perhaps, I should explain to the hon. members who may not have had the opportunity of reading this very voluminous bill. It will save the hon. members a considerable amount of study, because it is, in reality, a very simple piece of legislation.

The new Act contained in this bill recognizes the suspended Act which was formerly the Act that governed taxation of corporation income, which had been suspended during the rental agreement. This new Act imposes a tax on corporations of 11 per cent. of their total taxable income, permits a deduction from such tax of a certain specified portion thereof where corporations carry on business outside as well as in Ontario.

It imposes a tax on the net income of the corporation. It is allocated to business done in the province of Ontario according to the allocation formerly provided in the federal Income Tax Act. The provisions for the allocation of taxable income, as they apply under the Income Tax Act of Canada, are included in this Act in the specified portions referred to.

The description of taxable income on which the tax of 11 per cent. is calculated, is precisely the same as it is

under the Income Tax Act of Canada as that Act applies to corporations.

The new Act also imposes a general tax known as the special corporation tax on paid-up capital of one-twentieth of one per cent. and places a tax on business as well as capital tax in corporations such as railway companies, express companies, sleeping car and dining car companies.

The rates applicable are the same as applied in the former Act with one difference: these taxes are payable by the corporations concerned only to the extent that their amount exceeds the tax the same corporations will require to pay on taxable income at 11 per cent. In other words, the special corporation taxes are not superimposed on the 11 per cent.; they only apply where the 11 per cent. would not produce as much as the special tax.

The new tax also imposes a tax of two per cent. on gross premium income of all insurance companies in regard to business transacted in Ontario after deduction of premiums in respect of re-insurance ceded to insurance companies licensed to transact business in Ontario.

This was a tax that formerly was imposed by the federal parliament, and they have vacated that field and we have entered it to the same extent of the former federal imposition.

I do not know that I want to elaborate upon the necessity for revenue that would be produced by the tax. I think the budget statement very clearly showed the very urgent need for new sources of revenue if we are to be permitted to continue the programme that has been laid before this House.

MR. WINTERMEYER (Waterloo North): Mr. Speaker, with your permission I would like to make two comments in connection with this particular bill. Obviously, it is a very important bill.

Mr. Speaker, I would introduce my observations by saying that any person who speaks on behalf, or, at least, against the corporation tax, is normally

going to be labelled as a spokesman for big business. I want to emphasize at the very outset of any comments I make that I am here because of the support I have had from labour. I have always had that, and I will not continue to be a member of this House if I do not have it.

But I think in a matter of this sort you could not do harm—if this bill does harm—to a segment of our economy without affecting the other portion of our economy. One of the hon. members of this House said a short while ago that president Lincoln said that a country cannot get along half slave and half free. We have all heard similar observations—that a house divided against itself will fall, and things of that sort.

The point I am trying to make here, is that most labour thinking does not anticipate, and does not hold, any brief for any injustice done to management or to manufacturing industries as such; and, therefore, I say that if the time comes when I feel there is an injustice to the labour cause I would feel strongly as I do about this particular matter and I would unhesitatingly speak on behalf of labour.

I make those preliminary remarks because in this House there has been far too much comment by those in observations on this type of tax against those who attack the income tax, suggesting that we are speaking on behalf of big business. That is not the idea at all. We are speaking in terms of the general economy as such.

In my introductory remarks I thought that it might be of some assistance to this House if I traced out for a few brief moments the actual tax that is applied to a stipulated number of dollars.

For example, if you, Mr. Speaker, and I decided to go into business tomorrow and we required to borrow half a million dollars to organize and set up that enterprise, I estimate that our taxation would be—before we make any estimate of taxes it has to be contemplated that we would be successful

in this operation in that we would produce gross revenue of 20 per cent. of our invested capital.

Those who are skilled in this particular type of thing will realize that I am being overly generous when I suggest 20 per cent. of our capital, but suppose we were successful and we made one-fifth of that investment, or \$100,000. On that \$100,000 we would pay 18 per cent. to the federal government on the first \$20,000, or \$3,600; on the next \$80,000 we would pay 49 per cent., or \$37,600; and then we would pay our provincial tax of \$2,000. That is a total of \$43,200. Out of our gross profit of \$100,000 we would have \$56,800 left to be disposed of.

Suppose that we decided, Mr. Speaker, that we would hire you as the manager and pay you what I would think very conservatively a figure of \$5,500 for your full-time services. That would reduce the amount of money available to \$51,000. Thinking in terms of the fact that you, Mr. Speaker, and I had borrowed this money, we have interested other people in coming into this venture, and we promise to pay them 5 per cent. on their money—which, again, is very conservative, in my opinion.

The result of those stipulations means that the net amount that we have at the termination of our year's operations, for general disposal, is \$25,000. When you consider that that \$25,000 has eventually to repay our loan it is obvious that it would take us 20 years to repay what we originally borrowed.

The only point I want to make here is this: Let us not get the idea that a man can go into business today and make a lot of money and repay his investment for his original loan within a year or two or three. It just cannot be done. Add to that the fact that over a period of time there are a lot of economic ups and downs. There is no assurance that we will be as successful in the second to the 25th year as we were in the first. Therefore, unless we are pre-eminently successful, we will not even

return our original capital investment over a period of 20 years.

The same calculation can be made on a lesser sum of money. Suppose that we borrowed \$100,000, the result would be on the same calculation as I have made that we would have \$5,000 with which to repay our loan at the expiration of our year's operation, and again it would take 20 years' time to repay that original investment.

I think that is of great significance. Let us not get the idea that business men can grow up and borrow money and realize without any problem whatsoever, that they make fantastic profits. That is not so. The normal factual situation that arises is this sort of thing. Most businesses, if they are pre-eminently successful, do return something like 20 per cent., but remember that the federal government takes approximately 50 per cent. of that, leaving about 10 per cent. for dividends and capital reinvestment.

The normal dividend return is 5 per cent. The net result of all your operations is that normally, if you are successful, you have about \$5 out of every \$100 to reinvest in your business, to buy new equipment, to carry on your exploration and development programme and to repay any investment you have encouraged others to put into your company.

The significance of that point becomes doubly important when you realize this: What happens if you add to the tax levy? Does it mean that the money comes out of the air somewhere? By no means. Your dividend man, the man who invests his money and wants 5 per cent. return, the government is going to want approximately half. The result is that unless you can get along without capital expansion, and do not have to buy new equipment and such like, you will not have any opportunity to reduce your debt or expand your business, and if you insist on doing those things which are quite normal, the only other way is to increase the price of your product, and that is exactly what business is

going to do in this connection. I can assure hon. members, and it is just as obvious as, one and one makes two, that the price of newspapers will be 10 cents in the near future, that the price of many of our other products will go up proportionately. This particular load that we are putting on business, it cannot afford at the present time to carry on of its own volition, and the only thing it can do is to pass on that charge to those people who buy the product of the particular industry. Whom does it affect and how? It affects the price of the product that is retailed, which means, in effect, that you and I and other persons who are buying manufactured products pay.

I thought hon. members were all in agreement that inflation was a bad thing. I thought we were in agreement that we did not want to increase our price structure. I assure you, as sure as I am standing here, that the effect of this tax will be inflationary in its tendency; this tax will be handed on, and this tax will increase the price of all manufactured products. If that is what we want to do, then I say, all right, go ahead, in the full knowledge of what we are doing. I suggest, however, that there are far more equitable means of assessing a tax on the provincial level.

HON. MR. FROST: What would the hon. member do?

MR. WINTERMEYER: The hon. members have said innumerable times that income tax is the ideal type of thing. In effect, you are charging the man who can afford to pay, and that is good. But remember this: there are other principles. Relate the cost of your operations to those who are benefited by it. The sales tax is not a renegade tax, it is not a backward tax, if it is related properly to those people who are benefited.

I suggest to hon. members today that I have no hesitancy in rising in this House and saying that if a sales tax were levied, that was intended and defined to take care of education, it would have the

support of all people in this province, because they would feel they were paying for a particular service, and that the money was being used for that particular service.

I am not the government, and it is not my position to detail the manner in which taxes should be levied. But I say that it has professional advisers; it has the opportunity to set its course. If you were in that position, I would be obligated to advise what I considered a more equitable tax than this. But I am suggesting, and I unhesitatingly say that I do not think a sales tax is an unequitable or a degenerate or a renegade tax at all.

HON. MR. PORTER: In other words, the hon. member prefers a sales tax to this.

MR. WINTERMEYER: Just a moment. If the hon. Provincial Treasurer would tell me that the money would be used for a specific purpose—and I am in agreement that more revenue is needed, I am not so foolish as to say that he does not need any more revenue, but I am attacking the particular methods by which he is electing to raise revenue.

HON. MR. FROST: Would the hon. member refer to the particular amendment that he moved to the budget?

MR. WINTERMEYER: Yes. Mr. Speaker, what I said was this: In this current year I did not think there was any need for additional revenue. The hon. Minister knows as well as I what I meant.

HON. MR. PORTER: I do not know that the hon. member means at all, because the hon. member has not listened. If he thinks that is so, he has not listened. He is going right back to what he said last year, which I will show him in a few minutes.

MR. WINTERMEYER: This is what I mean in reference to what the

hon. Prime Minister said. The hon. Minister said he needs \$98 million more this year.

HON. MR. PORTER: \$100 million in round figures.

MR. WINTERMEYER: All right. The levies that the hon Minister has effected will produce \$98.5 million. I might say I checked with the tax foundation in the interval.

HON. MR. FROST: \$100 million more than the proposed tax arrangement gave. We are about \$30 or \$35 million dollars short at present.

MR. WINTERMEYER: Mr. Speaker, the hon. Prime Minister cannot in all fairness acknowledge that if he is bearing the responsibility of operating the government, which he is, and is doing in many respects an excellent job, the fact of the matter is that he said he required \$100 million, and detailed the methods of how he was going to collect it: \$26 million in income tax—that is corporation income tax — and I think about \$26 million gasoline tax, and several other taxes totalling in all, together with the additional revenue from the federal government, \$98.5 million.

Hon. members know as well as I do, that in addition to that sum the government will receive, this year, approximately \$50 million which will be applied to the highway reserve fund at the expiration of the current fiscal year.

If the hon. Prime Minister gives the House a promise that he will not apply it in that manner, and that it will be used in debt reduction where it belongs, and if he will in addition apply any other revenues that come in against debt reduction, and not interject at the end of the fiscal year a lot of supplementary estimates, which only a few days ago was suggested were dishonest on the part of the federal government, then I will go along with him 100 per cent.—

HON. MR. PORTER: The hon. member voted for the supplementary estimates, he voted for everyone of them.

MR. WINTERMEYER: Let us have this out once and for all. The hon. Provincial Treasurer is talking about last year.

HON. MR. PORTER: We all voted for it.

MR. WINTERMEYER: The hon. Provincial Treasurer is talking about last year.

HON. MR. PORTER: The hon. member wants us to spend the money, but he will not vote for taxation.

MR. WINTERMEYER: What the hon. Provincial Treasurer is referring to is last year, and I am referring to the fiscal year, 1957-1958. We are not talking about inconsistent things at all. Obviously, we could not vote on supplementary estimates, 1957-1958.

HON. MR. PORTER: The hon. member voted on this year.

MR. WINTERMEYER: For the past year, exactly.

HON. MR. PORTER: The hon. member will have an opportunity of voting against them next year.

MR. WINTERMEYER: That is right. I am saying now is the time, and if the hon. Provincial Treasurer will promise us—

HON. MR. PORTER: We will promise nothing.

MR. WINTERMEYER: Exactly, you will not promise anything. So why should we? Mr. Speaker, it simply emphasizes the point I am endeavouring to make. A few days ago we had a deliberate charge on the federal government in Ottawa, in language that I re-

fuse to use, language which suggested dishonesty, the same sort of thing the hon. Provincial Treasurer says he is going to do in this coming year, because he now refuses to advise hon. members that he will apply any additional revenue against debt. He has no planned reduction; he has no scheme whereby he is going to reduce the debt.

If the hon. Provincial Treasurer advises or convinces this House that the additional \$98 million that is asked for is required, and that he is receiving, if he advises the House in all probability our gross national product will increase next year as it did last year, and he will have an additional \$50 million to dispose of, and that he will use that \$50 million under such-and-such terms to effect debt reduction, I will be glad to go along with the idea of tax levies this particular year.

What I have suggested is that as long as the government refuses to acknowledge basically what it is doing, and then to wait until the end of a fiscal year to spend \$50 or \$60 million by means of supplementary estimates, I do not think that we need to be ashamed to rise and say we are not going to levy additional taxes until we know what they are going to be used for.

I happen to come from a county that has a typical old saying, that "we get old too soon and smart too late." We have got to get down to a serious consideration of our expenditures. A good business is operated by forecasting the future, I agree, but likewise in watching its penny expenditures.

I say that the government is negligent in the disposition of its funds. It is going to vote for levies in all these additional tax respects, not knowing how we are going to expend the additional money we will receive because we are going to have additional revenue, over and above what has been forecasted, and the hon. Provincial Treasurer knows that very well. That is my first basic complaint of this particular bill.

The next complaint I have is this, and it is not a scientific explanation at all. Over the last 10 or 12 years we have

made real progress in conjunction with the solution of our federal-provincial tax levies, by way of agreement. We have effected a uniform, a simplified and a one-government collection of income and corporation income tax.

This particular move is a step in the opposite direction. The two per cent. as such is not fatal, but where in the world are you going to stop, and how long are you going to continue this particular form of taxation? The two per cent., before you know it, will be 3, and then 4, and when you get to 4 per cent., we will be over the 50 per cent. mark.

I think, in all fairness, whether we agree wholly with Ottawa or not, that our experience has led us to conclude that as a result of the rapid development of the income tax field during the war years, that source of revenue, and I am not talking legally or constitutionally, for all intents and purposes has become a federal source of revenue. The federal government developed it; they built it up during the war years. I think we would be doing this country a great service if we would recognize once and for all that for practical purposes that is a federal source of revenue.

We are now financing 45 per cent. of our operations each year as a result of income tax in the form of rebates from the federal government. At the beginning of the war that source of revenue accounted for 25 per cent. only.

As I said before, when in the world are we going to stop? I would suggest that 45 per cent. of our operations from income tax sources is quite sufficient, and that we can get along very effectively with other sources of revenue.

I think we would be doing this country a great service if we rise and acknowledge that while we are not satisfied, while we would hope for 15 instead of 10 per cent. rebate, and who knows that 15 per cent. is a correct figure, because that too is an arbitrary figure; maybe it should have been 12, 9 or 18, but who knows what it should have been? There is no hon. member in this House who can rise and say in an infallible

fashion that it should have been 15 per cent. I say this House and the government would have been far more gracious and far more considerate of national unity and far more progressive in its thinking if it had acknowledged that income tax-wise there is a limit to what you can expect of companies and corporations in Canada.

There are other forms of taxation in Canada that establish from our constitutional problems that income tax by and large has become the jurisdiction of the federal government, and develop a sound, equitable system of taxation in the other fields that are open to us, that are good, equitable and economical. The one thing I hoped for last year, and if you refer to anything please include this, I asked the government specifically to set up an economic committee and one of the things I had in mind was the realization that these problems are complex, that they do permit real debate, real disagreement, but if the House was given a full opportunity to get together and thresh these matters out we could come up with some equitable forms of substitutional taxation that would produce the required revenue.

In my humble opinion, you have taken it on the wrong road, and have started on a course that can lead to chaos in quick order. I am not suggesting it is chaotic at this stage, but I am suggesting that it has started on a toboggan slide that can lead to places that will be chaotic. As I said, I do not know where it is going to stop, it is 2 per cent now, and in certain other industries it is actually charging more than 2 per cent. and I suggest that it will not be long before it will be 3 and 4 per cent. in this particular field.

Mr. Speaker, there are other hon. members who will have the opportunity to speak on this particular bill but for myself I want to make it emphatically clear that I am not foolish enough to rise here and tell you that you cannot have additional revenue, that we want a lot of other things, by no means, but I do disagree with this particular levy.

I do not think it is the most equitable, I do not think it is the most practical or the most economical legislation that could have been effected.

Mr. Speaker, it is the sort of difficulty I think we are going to get into which is demonstrated in paragraphs 4 to 6 in this particular bill, whereby you try to determine what amount of money is earned by a corporation that is doing business in Ontario and in another province. I quite agree that it is difficult to determine that—

HON. MR. FROST: Mr. Speaker, may I point out to the hon. members that is the definition the federal people used.

MR. WINTERMEYER: Have you used exactly the same definition?

HON. MR. FROST: Yes.

MR. WINTERMEYER: If it be exactly the same, Mr. Speaker, may I have this clarification from the hon. Provincial Treasurer: is it exactly the same?

HON. MR. PORTER: Yes, the allocation of income is exactly the same.

MR. WINTERMEYER: Does the federal government compute it in the same way at one half—I am referring to section 4 now.

HON. MR. PORTER: Section 4?

MR. WINTERMEYER: Yes.

HON. MR. FROST: You will find that this Act is very equitable.

MR. WINTERMEYER: I expect it is if you believe in income tax as a form of levy—

HON. MR. PORTER: It is exactly the same so the hon. member had better be careful about criticizing that part of it because you are upholding everything

this great government that is in Ottawa and not thinking of the province again, and this part of the bill fits in on all points with the federal Act in that respect.

MR. WINTERMEYER: Mr. Speaker, if I am in error in some small respect I will agree with it, but here is the problem as I see it: actually, your Ontario corporations are going to pay more income tax than a corporation outside of the province doing the same volume of business in the province. If you can conceive for a moment of a corporation in Quebec, its labour force in Quebec, its labour bill in Quebec, selling its entire product in Ontario, that corporation would not pay the same 2 per cent. that an Ontario corporation would pay if the labour force and the product were sold entirely in Ontario. I am correct in that, I am sure. It is that type of inequity that is going to begin to creep in whereby you not only add 2 per cent, but also add a burden to Ontario corporations at the expense of other corporations outside the jurisdiction doing business in this province. That type of inequity is going to result in a sort of concern I expressed here before that businesses will begin to move out. Now, 2 per cent. is not going to put them out, I know, but if they can change their head offices—

HON. MR. PORTER: I can assure the hon. member this, that the tax structure for business in Ontario is more favourable than in any other industrial jurisdiction on the North American continent, and I say that without fear of contradiction.

MR. WINTERMEYER: Mr. Speaker, let us have some clarification.

HON. MR. PORTER: I will explain that if the hon. member wants me to.

MR. WINTERMEYER: The pulp and paper industry, does the hon. Minister consider that an industry or rather an industrial enterprise?

HON. MR. PORTER: Yes.

MR. WINTERMEYER: Then I will tell him right now to the best of my knowledge—and I think this particular knowledge is fairly accurate—that the pulp and paper industry is paying, in addition to this two per cent., as a result of the government's logging tax, and as a result of the other tax, approximately an additional two per cent., making a total of 4.25 per cent. on its income. And that, I am told, is in excess of any other province in this Dominion.

HON. MR. PORTER: Mr. Speaker, I am informed . . .

MR. WINTERMEYER: No, please, I have taken all that into consideration.

HON. MR. PORTER: I will not argue until the hon. member is finished.

MR. WINTERMEYER: I am quite prepared if the hon. Provincial Treasurer thinks I am wrong, to have him go ahead. I would rather be wrong and feel that I am wrong and support him, than to have this frustrated feeling of "Well, maybe we are, and maybe we are not."

HON. MR. PORTER: I am always too anxious to interrupt, and I do not like to do that.

MR. WINTERMEYER: No, let the hon. Provincial Treasurer feel free to go ahead.

HON. MR. PORTER: I have the greatest respect for the hon. member and his opinions. Let him go ahead.

MR. WINTERMEYER: As I said at the outset of my observations, Mr. Speaker, there are other hon. members who will have the opportunity to speak.

My position can be simplified in basic language, and that is that I hope the House will reconsider this particular

bill and, in particular, will consider the advisability of whether or not it is fair to levy two per cent. right across the board, on the large companies as well as on the little ones.

HON. MR. FROST: Mr. Speaker, in connection with the hon. member's very eloquent plea in relation to the imposition of additional taxes, I must say that I agree with many of the things he has stated. I do not like to be in the position of imposing additional taxes.

I know the hon. Provincial Treasurer does not like to do anything that hurts him, and there is nothing that hurts him more than the imposition of taxes, let me assure the hon. member of that. With his kindly nature and disposition, it hurts and offends him to have to do that.

I can see in the eloquent observation on the subject made by the hon. member for Waterloo North that he is deeply moved and I would suggest that first of all he should have a talk with the people in Ottawa. If he will go there and have a talk with the hon. Mr. Harris, I know he would disagree with him in some of his philosophy.

Naturally, I do not like to bring into these matters what civil servants say, because after all civil servants, if they are loyal, and they are invariably loyal, express and carry out the views of the government, that is their job, but let me point out that yesterday I was reading a statement made to one of the tax associations by Mr. Robert Bryce, who is the cabinet's secretary. As a matter of fact, this was brought to my attention by the hon. member for Riverdale (Mr. Macaulay).

Mr. Bryce elaborated on the subject and pointed out that it was the avowed policy of the federal government, to use his own words, to "give the provinces the utmost freedom in these fields, and that they could impose any rate of taxation above the standard rate that they thought desirable."

That is not our policy, that is not our thinking here, which I will explain in a

moment to the hon. member for Waterloo North. That is not our thinking at all, but is the thinking of the people whom the hon. member so loudly applauds.

Actually the only enthusiasm I can ever find in the Opposition is in defence of the Ottawa hierarchy. The only time I can stir them into action is when we say anything about the Ottawa hierarchy. That is the only time that they display enthusiasm.

Hon. members opposite sit in a state of stunned silence most of the time, in relation to things that affect the province of Ontario; but when one dares to lay a finger on what might be called the arc of the covenant, down at Ottawa, then one is in trouble. Then there are loud protests and cries about the attitude of the Opposition. When we stand up for Old Man Ontario on this side of the House, then we are accused of making political speeches.

SOME HON. MEMBERS: Shame.

MR. SPEAKER: Order.

HON MR. FROST: I look at them now, Mr. Speaker. In the attitude of the 10 hon. members or so opposite who are present tonight. I would say that is a sore point with them, which if it is touched, causes them to become excited and enthusiastic.

First of all, the objections of the hon. member for Waterloo North are based clearly and completely on Ottawa policy, which has been imposed upon this province and which we have had to accept reluctantly. Faced with that dilemma, what does the hon. Provincial Treasurer do? He tries, of course, to spread out the taxes, as he has said, over half a dozen areas, in a way that will be the least harmful and the least oppressive.

May I give the hon. member a little experience in this matter? The hon. Provincial Treasurer has imposed a two per cent. additional tax on corporations. That is not the first time we have done that in this House. As a matter of fact,

in 1947, I stood in my place over here and imposed a 7 per cent. tax in place of the then 5 per cent. tax, which was the deductible item under the reactionary regime of the honourable Mr. Ilsley. I told you that would stir them up, Mr. Speaker.

Now, did that two per cent. increase have any retrograde effect on the development of Ontario? Not a particle, none.

MR. WINTERMEYER: How can we know that?

HON. MR. FROST: In this way, Mr. Speaker, in that we have grown faster than any other jurisdiction in America.

In 1952, with the hon. Provincial Treasurer and others, I negotiated the tax rental agreement, and we took off the two per cent. extra charge, surcharge, if you want to call it that. That was in 1952, and this is 1957, and I have never had a single, solitary corporation say, "That was a good thing," or "thank you" or anything of that sort.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, if I may interject, at that time the federal government in 1952 took off 3 per cent. of corporation taxes as well as did the government here.

HON. MR. FROST: I am only saying this, that if there was a discrimination as between provinces in Canada, that the two per cent. did not make any difference, because I said when it was imposed that it did not make any difference to the development of Ontario, then it was taken off and it did not cause a single, solitary ripple. And as a matter of fact, sir, we took off more than that at that time, we took off what amounts to 3½ per cent., for the reason that we took off the special place of business taxes.

At that time we had a differential of two per cent. of corporation taxes and we had approximately one and a half per cent. in special taxes. At the present

time we are imposing, may I say reluctantly, an extra two per cent. We would prefer not to do it, but there is no option for us. The hon. Provincial Treasurer has very skilfully spread these taxes over a number of sources, with the result, I can assure the hon. members from previous experience, that the two per cent. is not onerous.

The base of the problem comes in this, in the completely unrealistic attitude taken by the honourable Mr. Harris and the federal authorities at the present time, that is where the problem arises.

MR. WHICHER: Talk about Ontario.

HON. MR. FROST: That is right, there goes the hon. member for Bruce.

MR. WHICHER: Stick up for Ontario.

HON. MR. FROST: I repeat, Mr. Speaker, the completely unrealistic attitude taken by the Ottawa government, headed in the finance department by the honourable Mr. Harris. We talked to them of course as Canadians, we talked to them as residents of a great province, as people interested in the development of our country. Does the hon. member for Waterloo North suppose that made a single, solitary dint in their thinking? It did not.

MR. WHICHER: Does the hon. Prime Minister think that they are not Canadians, too?

HON. MR. FROST: I did not say that they are not Canadians, but I will say that they certainly did not take a very realistic attitude in connection with this problem. They ought to sit down and talk with the hon. member for Waterloo North, and perhaps they would change their thinking.

MR. WHICHER: The hon. Prime Minister means that he agrees with the hon. member?

HON. MR. FROST: With the hon. member for Waterloo North?

MR. WHICHER: Yes.

HON. MR. FROST: I like the hon. member's attitude and I think he is capable, under different direction, of far better things than he has achieved to date.

MR. G. INNES: He is thinking with us hon. members in this.

HON. MR. FROST: Well, if hon. members opposite do not brighten up, he will not be thinking with them too long, perhaps. The basic problem is this, Mr. Speaker, that the 9, 10 and 50 per cent. is simply not realistic. The hon. member for Waterloo North does not have to look at our situation entirely, I would ask him to take yesterday morning's paper. I hope that he reads the *Globe and Mail*; it is a very good paper to read in the morning.

MR. MacDONALD: The hon. Prime Minister just laid charges against it.

HON. MR. FROST: I did not lay any charges against it at all.

MR. WHICHER: They will have another wreath on their front page as to the next general election, the same as they did after the last one.

HON. MR. PORTER: Is the hon. member for Bruce referring to the last provincial election?

MR. WHICHER: No.

HON. MR. PORTER: Why not talk about your own business?

MR. F. R. OLIVER (Leader of the Opposition): Why does not the hon. Prime Minister talk about his own business instead of about Ottawa?

MR. SPEAKER: Order.

HON. MR. FROST: The great trouble is that the minute I approach matters relating to this great province in relation to the federal government, that it is difficult to get a word in with these people.

MR. OLIVER: That is a little worn out. The hon. Prime Minister had better try something else.

HON. MR. FROST: They are so sensitive.

MR. OLIVER: The hon. Prime Minister has said that over and over again.

MR. SPEAKER: Order.

MR. OLIVER: One would think that he would get tired of it after a while.

HON. MR. FROST: I have one or two other points to bring up before this session is over, which, no doubt, will stir the ire of the hon. Leader of the Opposition; but first let me deal with this one.

The hon. Provincial Treasurer or myself, or any hon. member here, had nothing to do with writing the speech of the hon. Provincial Treasurer of New Brunswick.

MR. OLIVER: You didn't?

HON. MR. FROST: I suggest the hon. Leader of the Opposition read yesterday's *Globe and Mail*.

MR. WHICHER: What politics is he?

HON. MR. FROST: Hon. members will find it very worth-while, looking at and reading the statement of the hon. Provincial Treasurer of New Brunswick, that little province that is faced with depression at the present time. The hon. Provincial Treasurer said

down there, as we have said here before, that \$10 million would make the difference between daylight and darkness with them. And yet we argued and we tried, despite our own case, to ask these Maritimers be given that sum of money among them.

MR. MacDONALD: The hon. Prime Minister wanted an equalization basis that would have given them less.

HON. MR. FROST: As a matter of fact, we would have given them much more.

MR. MacDONALD: The hon. Prime Minister argued for an equalization basis that would have given them less.

HON. MR. FROST: May I point out to the hon. member who hails from Cranbrook, British Columbia, that I am sorry I confused him with a Maritimer. He comes from Cranbrook, which is a good part of the world to come from.

MR. MacDONALD: Any part of Canada is a good part of the world to come from.

HON. MR. FROST: May I point out to him that we pleaded with the federal authorities to spread another \$25 million or \$30 million among the Maritimers and give them the money they wanted and needed.

MR. MacDONALD: But the hon. Prime Minister's specific proposal would have given them less.

HON. MR. FROST: No, the hon. member for York South is quite incorrect on that point. I shall be very glad to sit down and explain it to him. That would have met the problem of Nova Scotia, New Brunswick, and Prince Edward Island in a substantial way. Now, what does the hon. Provin-

cial Treasurer of New Brunswick say? He says:

If we are not given the money, we are going to have the greatest difficulty in getting along.

Now, sir, when we come to this province, what do we find the effect of that policy is? We find that it is what the hon. member for Waterloo North cries about, the injustice of double taxation, imposed as we said it would have to be imposed two years ago, because of the shortsighted policies of the federal government. That is the reason, Mr. Speaker.

Then in the same paper, yesterday's paper, we find that the hon. Mr. McCann, who comes from the same area as does the hon. member for Renfrew South (Mr. Maloney) says that he is compelled to tax the rebate, or the dividend, or whatever you might want to call it, that the people of Alberta are being paid by their government. Really that is from the money that is earned in this province, because that is where it is collected, very substantially, some \$30-odd millions from this province goes to the province of Alberta.

And so the ridiculous result is under this policy which lacks sanity, the federal government is going to tax the payment to the people of Alberta on money that the province does not require, a sum of \$22 a head for every person over 21 years of age, who has lived in that province for 5 years.

I agree with much that the hon. member for Waterloo North says. This is a crazy patchwork system in this country, that adds up to nothing, adds up to grave injustice, adds up to silly financing in this country. The whole thing could have been settled on the basis of a realistic level. And that will come about, in the course of time, as sure as hon. members are in this House here tonight, that will be recognized; but it will be recognized after irreparable damage is done to our economy.

It was as clear as the stars in the sky that on their policies of 1952, re-

lated to the province of Quebec and the treatment of the provinces at that time, that they were in more difficulties in connection with income tax. The hon. Provincial Treasurer and I discussed it with them at that time. They were prepared to close their eyes to it. Then, when the issue came about, they blindly groped around to find a solution, which again is unfair and inequitable to the people of this country.

There is no other option in this province but that we impose the double taxation which the hon. member for Waterloo North deplors. The cure to it is as simple as this: A sane attitude on the part of the administration at Ottawa. That would be the solution.

We discussed that matter with them, we have told them what we have told hon. members in this House about our problems of education and development and conservation, and all of those things.

We pointed out that it costs the government money in this province to hand over \$150 million annually for division among the other provinces. You cannot do that without costs. It costs us for sidewalks, welfare, water works, pollution and for education. Do you think that we could persuade them that there was justice on our side in connection with that?

I say to the hon. member for Waterloo North that the justice on our side is demonstrated by the fact that there is no option but for us to oppose additional taxation.

We pointed out to them the possibilities of sales tax. That is the last tax I would want to impose. If we get into that tax, if we have to get into it, we are driven into it by a callous, unrealistic attitude on the part of the government at Ottawa. I would wonder at the justice in the tax which is oppressive and which weighs upon the little man in this province. I do not think that is reasonable or just.

I would say to the hon. members of this House that this course of imposing these taxes and spreading them over—

we are not desirous in making these additions to the tax structure, but I say there is no option but to impose these because of the pressures which are on the government of this province.

MR. MacDONALD (York South): Mr. Speaker, it is becoming obvious that the government is teetering under the bludgeoning attack of the Liberal party. I just want to assure them that we are going to come to their rescue. We are going to support them on this bill. We support the government as far as it has gone, with the suggestion that it should have gone further, although, seriously, I advance that with mixed feelings, because I recognize that there are obvious disadvantages that accrue very quickly when one gets a tax structure which gets out of line between one province and another.

But, as I said in my budget address in this House, I refuse to become pre-occupied with the dilemma which is being created by the old parties. Because the Liberals will not raise such revenues at the federal level from where those revenues are in corporations, now the hon. Prime Minister is left with no alternative but to impose the extra two cents tax at the provincial level. It does give rise to anomalies, but I do not think that with only two per cent. they will become great enough to cause any serious problem; but, of course, fundamentally, it is not a good move because of that feature.

Mr. Speaker, I just want to make a passing reference, by way of digging into a few of the details of this tax, to the comments which have been made by the spokesman for the Liberal party. I must confess that every time I hear a further exposition on taxes from the hon. member for Waterloo, I am absolutely appalled because I do not think there has been any spokesman in any party—Liberal or Conservative—for the past generation, who has been so consistently reactionary.

I became involved in a Television panel about two or three weeks ago on

this topic of taxation—the inequities in taxation. On that panel was a man whom I knew back in the war years and who used to be, I think, executive director of the Canadian tax foundation. I did not think it possible that any man could present so consistently a series of reactionary ideas on taxation as he did. I do not know what cave he crawled out of, but he was quoting from the carvings on the rocks as far as taxation is concerned.

The interesting thing is that everything that has been expressed by the hon. member for Waterloo this evening goes right down the same line. I do not know one tax expert who is at least post-Keynesian in his thinking. . . .

MR. WINTERMEYER: May I ask the hon. member if he is familiar with the works on this subject?

MR. MacDONALD: Yes, I am familiar with the works on this subject. I do know—

MR. WINTERMEYER: The works of the tax foundation?

MR. MacDONALD: Yes, I am familiar with the works of the tax foundation.

MR. WINTERMEYER: Has the hon. member been reading the more recent articles?

MR. MacDONALD. No. I have not been reading the more recent articles.

All I know is that any man who gets up and says that sales tax is a more progressive tax than a corporation or income tax, he is just not living in this generation. Why, even John Bracken, in 1939, before the Royal commission—and, as I have said many times, he is a sort of impeccable source to quote.

MR. WINTERMEYER: That is better than being guided by men such as the hon. member for York South.

MR. SPEAKER: Order.

MR. WHICHER: Why did they put a sales tax on in Saskatchewan?

MR. MacDONALD: The sales tax was put on in Saskatchewan by the Liberals but the C.C.F. had not the intestinal fortitude to go ahead and put a hospital plan into effect, for which they needed revenues, so the tax has remained.

Let us now look at this seriously for one moment. The hon. member for Waterloo said that he was thinking in terms of the general economy of the nation. What is the general economy of the nation? Surely the general economy is something to serve the needs of the people who live within the economy; and yet his approach to it is in terms of taxes, and what it will do to businesses instead of looking at it from the point of view of raising revenues equitably to meet the human needs of the population—the old age pensioners, hospitalization insurance and all the rest of it.

The only way we can raise sufficient revenue is to raise it from where the money is, and that money, increasingly, is to be found in corporations; and that is the only equitable way . . .

MR. WREN (Kenora): Would the hon. member permit a question? I would ask why, in the province of Saskatchewan, which he holds up as the Utopian province in this country—why there is no corporation tax in Saskatchewan, but there is a sales tax?

MR. MacDONALD: The hon. member is anticipating me. I will come to that and explain it.

The suggestion, for example, Mr. Speaker, was made today that the addition of a two per cent. taxation in this province is going to open the door to chaos by forcing consumer prices up. Business is enjoying the highest level of prosperity in its history. All the hon. members need do is to read the financial pages of a responsible financial paper such as the *Financial Post* and it is

obvious that the suggestion that they cannot stand the two per cent. is absolutely ludicrous. If they are going to pass it on instead of absorbing it, then the responsibility for this consequence rests entirely with business. Indeed if they pass it on, they will likely double it. It is similar to the steelworkers going out on strike to get a decent pay rate and immediately the Steel Company of Canada, or their American counterparts raise the price of steel not by the amount that is given in pay increase, but two or three times the amount which is given to pay the increase.

I just want to say to the hon. member that if he is elected by Labour, Labour is going to smarten up and he will have a tougher time; I presume the views that he expresses are the views of the Liberal party, which will simply not be supported by organized labour.

MR. WREN: Will the hon. member answer my question?

MR. MacDONALD: I will come to the hon. member's question in a minute.

I am not going to deal in the kind of tactics of the hon. member for Kenora this afternoon, that if Labour does something which he agrees with, this is the good rank and file, but if it is something that he disagrees with, this is the leadership which is leading them astray.

Mr. Speaker, I will now come to the point that the hon. member wants an answer to. A week or so ago the *Globe and Mail* carried an editorial—presumably that may be where he is getting his information—in which they drew attention to the fact that the C.C.F. government in Saskatchewan had not put a corporation tax on.

MR. MALONEY: They did put a cent on a gallon of gas.

MR. MacDONALD: If you take a look at it, you will find that at the same time as they put a one-cent increase on gasoline they increased the registration fees on heavy vehicles.

MR. WREN: They imposed a sales tax on the body of a close friend of mine, but they have not imposed a corporation tax. But they imposed a sales tax on the dead body of a close friend of mine—a relative, in fact. How does the hon. member answer that?

MR. SPEAKER: I cannot permit any further interruptions. Let the debate proceed.

MR. MacDONALD: Mr. Speaker, today we have gone from moose to geese, and now we are, it seems, on taxes on corpses. I do not know what is going to happen next in this Legislature today.

HON. MR. PORTER: The hon. member had better get down to the corporation tax.

MR. MacDONALD: Mr. Speaker, I would just like to deal for a moment with an illustration of my point. In Saskatchewan they have not put a corporation tax on for the obvious reason that this is not yet the most lucrative source of taxes and they wanted to go into the whole tax rental agreement; but I want to direct to the attention of the hon. member for Kenora, and draw to the attention of this House that what they did do was to raise more than the equivalent in resources taxes.

I repeat what I said yesterday, that I still cannot understand why the government is weeping and wailing that it needs more revenue. Why does it not raise the revenue at the resources tax level instead of revenue going into Ottawa, from where it complains about the very, very small proportion coming back.

I am not giving this as conclusive figures on resources tax, the tax on forests, industries and mining, for exact companies are different. But in the year 1955, in the mineral field—and I am not including oil because you have royalties there that sometimes are paid for a generation ahead, and you cannot

get a fair estimate—but if you take just the minerals of a comparable nature of minerals mined in the province of Ontario, you will find that in Ontario we raised about \$7 million from a total wealth of \$583 million; in Saskatchewan they raised \$2.4 million from an \$85 million wealth, which means that in proportion to Ontario, Saskatchewan was raising three times as much revenue from this level.

MR. WARDROPE: That is why there is more development here.

MR. MacDONALD: Saskatchewan today, in terms of development of industry, is one of the fastest growing.

MR. YAREMKO: Is that government or private industry?

MR. MacDONALD: It is private industry. The suggestion that a C.C.F. government or a C.C.F. policy is going to make it impossible for private industry to live simply does not conform with the facts. Back in 1948, the larger oil companies in North America were not willing to come into Saskatchewan because they were living in the illusion that the C.C.F. government was going to be defeated, but when the C.C.F. were elected, they sat down and negotiated with them until today it is one of the fastest developing oil provinces in this country, on a private enterprise basis. In other words, what they are doing is that they are willing to come in there and make what is a fair return, and yet there is a far greater amount coming into the provincial treasury.

MR. YAREMKO: I am glad the hon. member is now in support of private enterprise.

MR. MacDONALD: I have always been in support of private enterprise within the right sphere. On the business of a resource tax as an alternative, I say to the hon. Provincial Treasurer that last year we raised in this province

from the forest industry \$21.4 million, and we ploughed back \$16 million, so that the net revenue from the forest industry from the province of Ontario was \$5.4 million. Yet, the amazing thing is that this year, after listening to the hon. Minister of Lands and Forests talk about the need of more money, we discovered that this year there is going to be \$24.6 million raised; and by his own prediction he is going to plough back \$19.6 million for a net revenue of \$5 million.

In other words, this year the government is proposing to raise from the forest industry about half a million dollars less than it did last year. It just does not add up. It just is not plain commonsense for a government which claims it needs more revenue.

Mr. Speaker, I just want to make this final comment. I am in agreement with a proposal which was made earlier, which I think was repeated here tonight by the hon. member for Waterloo North, and that is, if you are going to impose a two per cent. increase, it seems to me it would be a fairer proposition to have graduated that increase so that it does not fall heavier on the smaller corporations that are struggling to hold their position in the development of giants in our economy.

AN HON. MEMBER: When did the hon. member say that?

MR. MacDONALD: It was said in the budget speech. If you graduated this two per cent. increase in accordance with the income, it would be a fairer proposition. I do not know the mechanics or the difficulties involved in that kind of thing, but if it is not too difficult it appears to have merit, because clearly, with the corporations or with anybody, the place to raise the money is where the money is, and if it is more abundant in one place that is where it should be raised. To raise an equal percentage from the small corporation with a limited account, as for example, International Nickel, is not a fair proposition.

MR. OLIVER (Leader of the Opposition): I just might add a word or two in respect to the second reading of this bill, Corporation Tax Act, 1957. I listened very carefully to the hon. member for Waterloo North, and the hon. Prime Minister.

The hon. Prime Minister talks about someone else discussing the business of the province of Ontario, and as soon as he gets that sentence out, he goes right down to Ottawa and stays there until the last minute or so of his argument, and then comes back to Ontario and anchors himself again. If anyone has offended in this matter, surely it is the hon. Prime Minister, because he has not been able to say anything in these last few weeks without dragging Ottawa into it.

I was interested in listening to the hon. member for York South. He talks about other people being in indefensible positions and taking positions that look funny, but he was certainly in a funny position tonight, I thought, because he is always defending the province of Saskatchewan, but he rose tonight and said we should never have a sales tax, it is the last thing in the world we should have. Yet, he speaks for a province that has a sales tax.

If he found that the sales tax was bad, then it was his obligation to throw it off and make everything pure and sweet again, but he did not. He kept the sales tax on in Saskatchewan, and then he says to the government what is a two per cent. increase in corporation tax. It is just a flea bite. Yet, Saskatchewan is the one province that has not imposed a corporation tax. The hon. member, therefore, can speak as long as he likes about these matters, but when he speaks tonight I think his position is rather indefensible.

With reference to his discussion about graduated tax, I remember quite clearly when he spoke in the House a few days ago and said he would like to have seen a graduated tax, but after all, it did not matter very much because it would not affect the small corporations indiscriminately, it would not matter very much.

MR. MacDONALD: I said it would not hit them as much as your credit policies in Ottawa, and that is true.

MR. OLIVER: That is all right. There is no comparison.

MR. MacDONALD: Yes, there is a comparison.

MR. OLIVER: Mr. Speaker, I followed pretty well the hon. member for Waterloo North in the remarks he made in the House this evening. I do not think it could be said that I was an extreme right winger or that I was a friend of big business in any sense of the term. I have never been in all my political life, and I am not going to start at this stage. I would like to assess questions as I see them and come to conclusions based on what I believe to be the right thing.

So far as this tax is concerned, it proposes to increase corporation tax by two per cent. What I have to say about this can be said bluntly and in a few words. I do not believe in the first place that the government has proven in any sense of the word that they needed to increase the corporation tax by two per cent. I say to the hon. Provincial Treasurer that when he balances his books next year he will find instead of the \$300,000 odd that he has suggested will be the surplus, it will be at least \$50 million, and that will simply be following the pattern that has been in force over the last 8 or 10 years.

We do not need the corporation tax. We do not need many of the other taxes that have been put into effect. I want to say this, to the government, we have had in this session the greatest avalanche of taxation that we have had for many a year in this province, and the need has never been proven. The reason the government made a mad, wild dash for increased revenues this year is quite simple when you look at the picture as a whole. The election is two years away, we are in the middle of a parliamentary term and the government with full political senses, if they do not possess sense

of other kinds they do possess political sense, they realize that they should put tax on in an off year or in a middle year between elections.

They draw in every conceivable tax you could imagine, put them on the statute books, and they do not prove they need them at all, they simply carry them over to the next election in this province. I am not going to go for that kind of thing. I say again their need has not been proven they need neither the corporation nor some of the other taxes they put into effect. The two per cent. corporation tax should have been graduated if we are going to have it at all, it should not have been across the board because that is not fair and it is all the more iniquitous because this provides a future base for future operations in the corporation tax field.

Next year it may be 3, 4, 5 or 6 per cent., and I say it is wrong to predicate that tax on a basis that provides an even level across the board, it should have been a graduated tax. Without saying more at this time, I am going to move, seconded by Mr. Nixon, the following:

That Bill No. 111, the Corporation Tax Act, 1957, be not now read a second time but be redrafted to provide for a graduated tax so that an inequitable burden will not be imposed on small corporations and that the bill be read this day one week hence.

HON. MR. FROST: May I ask, Mr. Speaker, before you put the motion, as to whether the hon. Leader of the Opposition could give us some of the experience down at Ottawa, the way they apply that principle? Could he tell us something about that in relation to that resolution where they have 38 per cent.?

MR. OLIVER: The hon. Prime Minister ought to know all about that, he does not like doing what Ottawa does, so why does he follow them?

MR. SPEAKER: I would like to remind hon. members of the House that this is a hoist motion and if it is defeated

that is the end of the debate on second reading and it will immediately go on.

MR. WINTERMEYER: May I speak to your decision, Mr. Speaker?

MR. SPEAKER: I am just giving that interpretation, I am going to read the amendment now.

Moved by Mr. Oliver, seconded by Mr. Nixon, that Bill No. 111, "The Corporation Tax Act, 1957", be not now read a second time but be redrafted to provide for a graduated tax so that an inequitable burden will not be imposed on small corporations and that the bill may be read this day one week hence.

MR. WINTERMEYER: Mr. Speaker, may I suggest to you that this is not a hoist motion, that the normal phraseology that is used in the rules of procedure for a hoist motion is that it be not now read but at some indefinite time long after the session is ended. Obviously we are going to be in session at the time it is proposed to come back to this Legislature and therefore I suggest to you, Mr. Speaker, that this is not a hoist motion as such.

MR. SPEAKER: The motion is that it be not now read a second time and therefore it is a hoist motion. If this motion is defeated it must now be read a second time.

MR. MacDONALD: Mr. Speaker, may I make this one remark, I find this a rather puzzling amendment because it does not oppose the tax that the Liberals are opposed to, all it does is to ask that that tax be graduated. I am in favour of the graduating of the tax so I support the amendment, but it is rather strange that a party opposed to the tax brings in an amendment which accepts it.

MR. SPEAKER: Is there any further discussion on the amendment?

MR. OLIVER: Mr. Speaker, I would like to make this observation if I may, that an ordinary motion for hoisting a

bill, as you well know, is to suggest it be read a second time or third time 6 months hence with the sure and certain knowledge that 6 months hence will be when the House is not in session.

This motion was purposely drafted so that in all probability the House would be in session so it is simply a deferring of the bill itself until a later date which is one week later, so really it is not a hoisting motion in the sense that a hoisting motion is understood by the rules of the House.

MR. MACAULAY (Riverdale): On a point of order, Mr. Speaker, I think it is traditional that a hoisting motion be put in the phrase that the hon. Leader of the Opposition has suggested, but if the hon. Leader of the Opposition was familiar with the rules as it pertains to the house of commons in England and as to some of the functions in Ottawa he would know that it is by accident only that it is placed a week hence and any bill which is to be hoisted is a bill to be hoisted and therefore the motion must be put in that way, and if the hon. Leader of the Opposition knew anything about tradition he would have known that.

MR. OLIVER: Mr. Speaker, I am not going to take that from the hon. member for Riverdale. I suggest there are two kinds of motions in this case, one is a motion to kill the bill and that motion is for 6 months hence when everyone knows the House will not be in session. There is certainly another rule that the bill be deferred until certain amendments are made to that bill and that it be brought back. The hon. member for Riverdale is quite smart but he is not as smart as all that.

MR. MACAULAY: The hon. Leader of the Opposition has some odd ideas as to the phraseology in which a bill should be hoisted. That is not the fact, the fact is that the hon. Leader of the Opposition is more a slave to evocation than to knowledge, and is simply using a phrase which he has used before on other occasions, but there are occasions,

and I can cite them if I had 20 minutes to look them up, when they could be hoisted in 10 days or two or three hours.

MR. MacDONALD: Mr. Speaker, if your ruling is on this motion to hoist I am afraid I will have to change my mind. If in effect this is a motion to hoist and we are going to get rid of this bill, then I would like to see it passed for the imposition of a tax, if it is a vote on the substance—

MR. STEWART: Not very cozy.

MR. MALONEY: He is back in the right bed now.

MR. SPEAKER: Order. If this motion to defer is carried then, of course, the second reading will be ruled out, but if this motion is defeated then second reading is carried right away automatically.

The House divided on the motion:

YEAS

Gordon
Innes
Manley
Nixon
Oliver
Spence
Whicher
Wintermeyer
Worton
Wren

— 10

NAYS

Allen
(Middlesex South)
Auld
Belisle
Boyer
Cathcart
Cecile
Chaput
Collings
Connell
Cowling
Daley
Doucett
Dunlop
Edwards
Elliott
Fishleigh
Frost
(Bracondale)
Frost
(Victoria)
Gisborn
Graham
Griesinger
Grossman
Janes

NAYS—*Continued*

Johnston
 (Parry Sound)
 Johnston
 (Simcoe Centre)
 Johnston
 (Carleton)
 Jolley
 Lavergne
 Letherby
 Lewis
 Macaulay
 MacDonald
 Mackenzie
 Maloney
 Mapledoram
 Monaghan
 Morin
 Morrow
 Murdoch
 Nickle
 Noden
 Parry
 Phillips
 Porter
 Pryde
 Rankin
 Roberts
 Robson
 Root
 Sandercock
 Spooner
 Stewart
 Sutton
 Thomas
 (Oshawa)
 Wardrope
 Warrander
 Whitney
 Yaremko
 — 58

Motion negated on division.

MR. SPEAKER: The amendment is lost, therefore the motion for second reading is carried.

Motion agreed to; second reading of the bill.

THE INCOME TAX ACT

HON. L. M. FROST (Prime Minister): Mr. Speaker, I beg to move the

discharge of order No. 62, second reading of Bill No. 112, "An Act to appeal The Income Tax Act," for this reason, that The Income Tax Act was passed, I think, in 1951, coming into effect on proclamation. The Act has not been proclaimed, and I think it is far better to leave the Act on the statute books subject to proclamation.

I know hon. members in the Liberal opposition always feel more at home if there is an Income Tax Act there, even though it does not apply. Therefore, I move that this order be discharged, which will simply leave The Income Tax Act on the statute books, dormant at the present time.

Motion agreed to; order discharged.

THE MOTOR VEHICLE FUEL
TAX ACT

Hon. Dana Porter (Provincial Treasurer) moves second reading of Bill No. 115, "An Act to amend The Motor Vehicle Fuel Tax Act, 1956."

MR. H. C. NIXON (Brant): Mr. Speaker, is the hon. Minister going to speak on the bill?

HON. MR. PORTER: Mr. Speaker, this bill is designed to impose a tax of 20 cents per gallon on what is commonly known as diesel fuel used in motor vehicles, to be effective on April 1, 1957. The bill of course has the effect of providing for a differential on the tax as between motor vehicles which use gasoline and those which use diesel fuel.

As hon. members are aware, there has been a certain amount of discussion of this subject outside of the House. It may be that there is a difference of opinion as to the desirability of having a differential at all, but the position of the government, and that of the treasury, is simply this — that at the present time we find that there are on the highways of this province a growing number of vehicles driven by diesel fuel and it is commonly accepted that diesel

fuel effects the result of a greater number of miles per gallon in the use of the highways.

The exact differential in miles varies to some extent between one type of vehicle and another, but generally speaking the diesel fuel accomplishes a greater mileage per gallon, and, accordingly, the vehicles which use it have the benefit of greater mileage on the roads, and consequently do greater damage to the roads, and pay less for it than gasoline-powered vehicles.

At the present time, the diesel industry is a growing industry in this province.

MR. R. WHICHER (Bruce): It will not be now. The hon. Provincial Treasurer has had it killed.

HON. MR. PORTER: I do not know whether it will be or not, Mr. Speaker.

MR. WHICHER: The hon. Provincial Treasurer does not care.

HON. MR. PORTER: All right, I do not know, but hon. members opposite are getting very excited, they must have some strong feelings about this.

MR. NIXON: This is one thing the hon. Provincial Treasurer cannot blame on Ottawa.

HON. MR. PORTER: I never blame anything on Ottawa, never.

MR. WHICHER: This is one the hon. Provincial Treasurer can be proud of.

HON. MR. PORTER: The case against Ottawa has been so eloquently expressed by the hon. leader of the government, the hon. Prime Minister, that anything I might say on that subject would be too faint to be worthwhile. I do not need to enter into that discussion at this time.

However, Mr. Speaker, what concerns the treasury is simply this: That

if we allow this to continue, and the growth of the diesel industry to expand, and if that growth is entirely due to a favourable tax position, to a position which allows them to get greater use of the highways for the money they pay towards the maintenance and construction of those highways, there is then a discrimination in that as against that vast number of people who use gasoline as a fuel.

The gasoline users pay more relatively towards maintenance and construction of highways, and the cost of highways generally, than do those who get greater mileage per gallon, because the fuel tax of course is a tax of so many cents per gallon.

Some people may say that this tax is such that it will affect the industry. Well, is it not better to affect the industry in its infancy rather than wait until it grows to such a large size that it would be impossible to deal with it at all?

MR. F. R. OLIVER (Leader of the Opposition): That is a funny statement, Mr. Speaker.

HON. MR. PORTER: It is not a funny statement at all.

MR. OLIVER: Certainly it is. What does the hon. Provincial Treasurer mean when he says: "affect the industry in its infancy"? Does he mean to kill it now?

HON. MR. PORTER: Well, whatever effect it may have on the industry. But I say this: I do not know but I would like the hon. Leader of the Opposition to say, at some stage in this debate, what his position is with respect to a favourable tax position to one type of vehicle as against another.

MR. A. WREN (Kenora): Mr. Speaker, would the hon. Provincial Treasurer permit a question?

HON. MR. PORTER: Yes.

MR. WREN: And then he may amplify his remarks as he proceeds. He has made two statements now that are important in the substance of his remarks. One was that there are a certain number of vehicles using diesel fuel now using our highways.

HON. MR. PORTER: That is right.

MR. WREN: The second statement was, in effect, a statement of the damage they were doing to our highways.

Would he first inform us how many diesel vehicles are using our highways, and what is the extent of the damage to the highways? Would he explain that as he goes along?

HON. MR. PORTER: I cannot give the hon. member the exact number of vehicles. It may be that we have that information, but it is a comparatively small number.

MR. WREN: Pardon me, Mr. Speaker, but does the hon. Provincial Treasurer suggest that he is coming into a debate on an important bill like this without knowing how many vehicles are involved?

HON. MR. PORTER: I can get the exact number for the hon. member. I do not think it really is a point of any importance.

MR. WREN: The government has a licencing bureau.

HON. MR. PORTER: I will have it in a minute.

MR. R. MACAULAY (Riverdale): Mr. Speaker, the hon. member for Leeds (Mr. Auld) gave the answer to that question the other day, had the hon. member for Kenora been listening.

MR. OLIVER: We are not asking the hon. member for Riverdale; we want to get it from the hon. Provincial Treasurer.

HON. MR. PORTER: 834, Mr. Speaker. The owners of these vehicles of the same weight—that is, the same capacity, plus weight, load capacity plus weight—as a gasoline motor vehicle pay less tax for the use they get of the highways, and it is in order to correct that situation that this bill is being put forward.

If the diesel fuel trucks increase in number on the highways, that position will become more and more exaggerated. I do not know, it is impossible to say, whether or not this tax will have a very great effect on the use of diesel motors in this province, and I do not know that we can tell until we pass the Act.

But if they cannot pay their way for the use of the highways, and they use the highways in common with all other types of vehicles—if they cannot pay their share of using the highways—well then, from the point of view of the revenue of this province, I do not know that we can permit them to do so.

MR. WREN: Mr. Speaker, would the hon. Provincial Treasurer permit one more question? Is the hon. Provincial Treasurer suggesting to this House that he is willing to experiment for a year on a vital industry?

In other words, the hon. Minister of Health (Mr. Phillips) comes from a riding where the production of diesel engines is a vital industry, and the hon. Minister of Lands and Forests (Mr. Mapledoram) comes from a similar riding: is the hon. Provincial Treasurer prepared to say he is willing to experiment for a year with this tax to actually crucify an industry, and at the end of the year see what happens?

HON. MR. PORTER: It may be the hon. member's opinion that they will be crucified, it may be other people's opinion they will not. But I would say there should be a differential, I say the heavy trucks using the highways of this province should pay their way, and if they cannot pay their share

of the way, they should not be on the highway. That is my point.

It is only fair, just, and equitable that it should be so. I do not know what the hon. member is talking about when he says "crucifying an industry."

MR. WREN: That is what the hon. Provincial Treasurer is doing.

HON. L. M. FROST (Prime Minister): What makes the hon. member say we are doing that?

MR. WREN: Simply because, to answer the question, if the hon. Provincial Treasurer will consult people like Russell Hipwell at Owen Sound, the Canadian Car and Foundry at Fort William, and half a dozen other firms which are interested in the production of diesel motors, they will tell him.

HON. MR. FROST: If I might point out, it comes down to this, there is a differential.

MR. WREN: I am trying to—

MR. SPEAKER: Order.

HON. MR. FROST: If diesel engine owners can afford to keep them on the roads, the cost of our roads is standardized by the gasoline tax, but if they cannot afford to be on the roads, they are better off, but the hon. member will find they will not be off the roads.

MR. WREN: The hon. Provincial Treasurer asked me a question, and I think I should be permitted to answer. If he goes to the industrial engine division of General Motors at Oshawa, they will tell him orders right now are pending on the decision of this bill.

HON. MR. PORTER: That is their business.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, on a point of privilege: the hon. Prime Minister said some of these

motor vehicles would be better off the road, and I agree with him. The hon. member said it was about time—

MR. WREN: Mr. Speaker, on a point of privilege, the other day I was talking about the size of trailers and I still stay with that.

MR. R. GISBORN (Wentworth East): Mr. Speaker, my question on this is: if we arrive at a figure of 20 cents on the diesel fuel tax, and a figure of 13 cents on the gasoline tax, this may help to clear it up; certainly we have some reason for arriving at these figures, what the percentage of taxation is, to be almost equal in gasoline per mile and diesel fuel oil per mile.

HON. MR. FROST: On these roads, yes.

HON. MR. PORTER: As a matter of fact, on these new roads, there is the feeling that the fuel oil plus tax is more favourable as against gasoline, but it is not as—

MR. J. A. C. AULD (Leeds): Mr. Speaker, may I ask the hon. member for Kenora as to what percentage of the engines, turned out by the firms, are used in over-the-road carriers? It seems to me, if there are 824 vehicles which have been produced over a period of years on the highways today, that a great percentage of the diesel engine industry is producing diesel engines for purposes other than highway transportation.

Further than that, I would ask the hon. member if someone came along with a battery-powered means of propulsion, would the hon. member suggest that, since this would be an industry which was pretty well in its infancy, there should be no tax assessed to it until it really got going?

MR. WREN: Mr. Speaker, I am delighted that the hon. member has raised that particular question, because I can tell him that what we are doing in the passage of a bill of this kind, with this

excessive increase in this tax, is this: We are leading the way in Canada to the end of the diesel engine and the diesel motor vehicle industry.

HON. MR. FROST: Pure nonsense.

MR. WREN: Let me answer the question. Up in northwestern Ontario, we have a factory which has lately been developing motor buses, trailers and other equipment having to do with transportation of people and goods on highways, and a great proportion of that industry has to do with diesel power.

It necessarily follows that, if the advantage of buying higher priced equipment which is powered by diesel engines is going to be taken away by a discriminatory tax, then we are going to lead the way to the end of the use of that kind of power in this industry in Canada, and with it we are going to take away the manufacturing impetus that has been built up behind it.

The majority of our public utility transportation systems in the province of Ontario—and I daresay most of the other provinces in Canada, but I have factual knowledge of Ontario, and not all the others—but the majority of the public utility systems in this province are operated by diesel units.

HON. MR. FROST: Does the hon. member—

MR. WREN: Mr. Speaker, do I have the floor? The hon. member has asked this question and the point is this:

We are not only increasing the operating costs of all these public utility systems by hundreds of thousands of dollars a year, what we are doing in effect is saying to the public utilities systems: "You had better take another look before you order any more diesel units, because it is not going to be economical to operate." Again, this government is going to put producers of diesel engines in Owen Sound, Fort William and other places right out of business.

I do not suggest for a minute that there is not some consideration to be given for some differential in this tax, but I would suggest to the hon. member for Leeds, and to this House, that in the United States, after the imposition of the federal tax of 3 cents a gallon on gasoline and fuel oil, and the federal tax is equal in all the 48 states of the United States, there is not one of the 48 states which has more than a two-cent additional tax on diesel fuel.

In the entire area of Great Britain there is not one single instance where the differential in the tax is more than 2 cents.

In those jurisdictions in the United States, before the imposition of the fuel tax, there is sometimes a little more than two cents; there is 3 and 4 cents, but after the imposition of that 3 cent fuel tax there is not one state that has more than a two cent additional tax, and in Great Britain and in the European countries there is no difference.

Why are we in Ontario pioneering in the crucifixion of the diesel trucking industry? Would the hon. Minister please answer that?

HON. MR. FROST: Does the hon. member argue this: that a diesel truck should pay less per mile than a gasoline-powered truck? Is that what the hon. member is arguing?

MR. WREN: Mr. Speaker, may I answer the hon. Prime Minister? I have had some experience with this. I am speaking with a good deal of sincerity and I will tell the hon. Prime Minister that if he would do something about the collection of the tax on diesel fuel that is used in diesel motor vehicles now, even at the 11 cent level, he would find that by imposing a proper collection of that tax he would not have to increase it at all.

HON. MR. FROST: That has nothing to do with the matter at all, because on April 1st a new collection system is going to come into effect that

will be really tough, or I expect it will be, and they will have to pay their tax. So let us leave that.

Does the hon. member argue a diesel truck should pay less tax per mile than a gasoline-powered vehicle of the same type?

MR. WREN: Mr. Speaker, I do not suggest that a diesel truck should pay less than a gasoline-powered truck of similar weight and tonnage; I do not suggest anything of the kind.

HON. MR. FROST: What does the hon. member suggest?

MR. WREN: What I do suggest, to the hon. Provincial Treasurer, in indicating the imposition of this additional tax, is that he has no proof of its necessity.

HON. MR. FROST: May I read to the hon. member from a report that the hon. member for Stormont (Mr. Manley) agreed to?

MR. WREN: Yes.

HON. MR. FROST: The hon. member for Stormont signed the report. At page 46 in the centre of the last paragraph on that page it says:

The tax responsibility should be the same, however a gasoline-powered heavy vehicle which travels 4 miles to a gallon of gasoline would travel about 6 miles to a gallon if powered by diesel fuel.

That is the considered statement of the committee of this House of which an hon. member of the opposition is a subscribing member. That is exactly identical with what this tax provides; there is about a 50 per cent. increase.

MR. WREN: That just is not so. If the hon. Prime Minister would read the final conclusions of the toll roads committee — I have read it backwards and forwards several times—

MR. G. C. WARDROPE (Port Arthur): Which way did the hon. member like it best?

MR. WREN: If the hon. member wants his industry at the Lakehead to go out the window, I do not. What the committee said, in essence, is this: There is a differential and it should be investigated.

MR. WARDROPE: That was not their conclusion at all.

MR. WREN: It also suggests, if the hon. Prime Minister would read that report a little further, that the British thermal units value of gasoline as against diesel fuel is something like 60 per cent.

MR. G. W. PARRY (Kent West): What about a ton of coal?

MR. WREN: As recently as this morning, checking with Imperial Oil and British American Oil — two of Canada's leading suppliers—they say, in effect, gasoline does not have 60 per cent. of the British thermal units of diesel fuel oil, it actually has 90 per cent. of the British thermal units of diesel fuel oil. With that actual scientific fact by laboratory tests of the oil companies themselves, plus the fact of the marvellous improvements that have been made in gasoline engines in the past two or three years, there is nothing to support anything but a moderate differential between fuel oil and gasoline.

If this jurisdiction were to go along with the United States and Great Britain, and until something more concrete is brought in, in the way of deciding the actual differential, I would say there would be nothing wrong with a two or three cent differential. But to indiscriminately impose the tax suggested in this bill, 20 cents a gallon on fuel oil, I would say is absolutely and positively—and I reiterate—crucifying the diesel industry.

If, as the hon. Prime Minister suggests, it would be a good thing if we

got these diesel trucks off the highways and be done with them, if he wants to insinuate that it is government policy, then the hon. Prime Minister should say so. That is one thing.

Then, give the people, and especially the "little fellows" who have invested thousands of dollars in this industry, give them at least a year to write their capital off or somehow dispose of their equipment. Just do not say: "As of April 1st you are going to be out of business because this tax is going to increase your unit rate to such a degree that you cannot compete."

HON. MR. FROST: If the hon. member would get through talking nonsense and get down to common sense, we could get somewhere.

First of all, if the hon. member would read what the select committee of this House, and what the hon. member of his own group, concluded, and the evidence upon which it was based, he will realize what has been done.

If the hon. member wants expert opinion, let me read the report of the California collier commission. I think all members of the roads committee considered this problem. It says here—and this is expert opinion on this question:

In view of the difference of consumption and hence tax contribution, it is recommended that the use of fuels, diesel tax, be increased 50 per cent. over gasoline tax rates. It is believed a 50 per cent. increase is definitely favourable to the diesel-powered vehicle, but is not conclusive enough to establish a larger differential at the present time.

MR. WHICHER: What date is this?

HON. MR. FROST: It is the proposed estimate for highway financing for the state of California, page 80, 1945.

MR. WHICHER: As of January 1, 1957, there was a one cent differential in California.

HON. MR. FROST: I will give the hon. members some other supporting statements—showing that 50 per cent. is still favourable to the diesel-powered vehicle. If it is favourable to the diesel-powered vehicle I would say to the hon. member there is no justification of subsidizing a vehicle on our highways that is in competition with gasoline-powered vehicles, and providing a tax differential that is going to make it more favourable.

I would say, Mr. Speaker, we have at the present time some 800 such vehicles on our highways. It is far better to make it equitable and fair now than wait until we have several hundred more, or several thousand more on our highways; then we are going to have difficulty.

I would say that, investing as we do some \$250 million a year on our highways, it is the height of absurdity to suggest that we should have a certain type of transport on our highways, and subsidize it through a lower tax collection while it is one of the worst offenders in the abuse and break-up of these highways, which is costing the people of our province millions of dollars every year. That is what the hon. member is suggesting we do.

I would say that if he reads the report of Dr. James C. Nelson in relation to—this is 1950—the taxing of Washington's motor vehicles equitably for highway purposes, he will find that it says:

The conclusive evidence appears wholly valid that a marked fuel economy exists in favour of diesel-powered units which, unless a differential or gross weight tax is applied, creates an inequity in the highway-user tax structure.

Here is another one, dated September 14, 1955, a report from the state of Michigan—*Financing Modern Highways for Michigan*—and the report states:

The general consensus is that a differential in the diesel fuel tax rates over gasoline of the order of 50 per cent. is warranted.

MR. WHICHER: Could I ask the hon. Prime Minister a question?

In view of what the hon. Prime Minister has been reading there, why, in the state of Washington, is the tax absolutely identical, and why in the state of Michigan is it identical as of January 1, 1957?

HON. MR. FROST: I would ask him a similar question: Why has it been identical here in the province of Ontario up to the present time? As a matter of fact, there is not any sense to it. It is time that we met this matter in the realm of reason. May I read from these additional reports:

In 1950, in the state of New York:

It is believed that a 50 per cent. increase is definitely favourable to diesel-powered vehicles.

That is what it says in that report. In 1951, in the state of Ohio—

AN HON. MEMBER: Is it 50 per cent. in New York?

HON. MR. FROST: Yes, it is 50 per cent. now in the state of New York; and it is senseless to say—

MR. WHICHER: No, it is not.

HON. MR. FROST: In the state of Ohio, it is recommended that the gasoline tax be increased to 5 cents and the diesel fuel tax to 7.5 cents—a 50 per cent. increase.

This will create approximate parity between gasoline- and diesel-powered vehicles.

Then, in the state of Iowa in 1955, the same thing; and in the state of Virginia in 1953, the same thing—that there should be an increase of 50 per cent. over the gasoline tax.

I would say to the hon. members opposite: How much evidence does it take to convince them that this is equitable and fair? We have our own committee in the House. We have the evidence from every authority that has looked into it, that the differential is a fair one.

It is time that we viewed this problem from the standpoint of the taxpayers who are going to have to put up their money for the payment of our roads.

I would say that light gasoline-powered vehicles are not causing the damage to our roads that these large diesel trucks are causing at the present time. We have at the present time, I suppose, 1.5 million gasoline-powered vehicles. Very many of these are passenger cars that are causing little damage to our roads.

On the other hand those 800 or 900 diesel trucks are, in the main, very large trucks, owned by very large corporations. They are large. The hon. member for Kenora at another time stated that they were boxcars and they should be off the roads, and here we come around with a tax that is still favourable to them, and he weeps and cries and says that we are doing damage to an industry in Ontario.

I would say that I do not think it will do any damage to the diesel truck industry in Ontario at all. It will create a fair ratio and a fair tax position with the other gasoline-powered vehicles and this in no way represents a penalty. I think it will be found that the diesel industry will go ahead if it has a good product, and I think it has — the manufacturers will proceed ahead and develop under this tax as rapidly as they are doing at the present time.

I would point out another thing to hon. members opposite. Manufacturing diesel trucks is, of course, a new industry, and most of these engines are imported—not that it may be the case in Owen Sound — but most of these engines are imported.

Also I may say, on the other side of it, that most of the business done by these diesel companies is not on trucks in any event; it is on types of engines to which the diesel tax does not apply.

MR. P. MANLEY (Stormont): The hon. Prime Minister did mention a moment ago that the hon. member for Kenora, together with the hon. member

for Stormont, signed this report. That is quite true. I did sign the report, and I was very happy to sign it as a member of the toll roads committee.

But, nevertheless, the recommendation was that we should take the inequity out as between the gasoline-operated truck and the diesel-operated truck. We should not say that there should be imposed on the diesel-operated truck as heavy a differential as it is proposed we apply at the present time.

We realize that there is an inequity there, and as the hon. member for Leeds said yesterday, in referring to the toll roads report that was presented to the House. He did say that there were representations made, if I remember rightly, before the committee, that there was shown to be a 50 per cent. differential between gasoline-operated and diesel-operated trucks on the highways at the present time.

We want to keep that in mind, Mr. Speaker. If a 50 per cent. differential is what we are going by, then I would say to the hon. members, in all sincerity, that we have gone over and above the 50 per cent. when we impose a 20-cent tax, because we did have an 11-cent one, and we are adding an extra 9 cents, to reach the figure of 20 cents.

As has been brought before the House earlier this evening, other factors do come into this issue at the present time, and one of them is the competition that is existing today as between the gasoline engine manufacturer and the diesel engine manufacturer.

HON. MR. FROST: Why should we subsidize that competition?

MR. MANLEY: I am not saying that we should subsidize that competition, but let me put this point across, that if we going to take the inequity out of operations as between the gasoline- and the diesel-powered truck as it operates today, we must surely look to the future of the trucking industry in this province.

I think we all realize that the trucking industry is very essential today, and something that is very important to the economy of the people of Ontario. I realize that the diesel industry is something that is new, and it is now coming into the province, and I, for one, would not want to discourage the introduction of diesel equipment in this province if it is going to benefit the citizens of the province as such.

We must realize that the diesel-operated trucks today are in the position that whenever they pay their registration fees to operate in the province, they are a ton greater in weight than the gasoline-operated vehicle; therefore, they have one ton less that they can charge on their ton load, going over the highways of the province at the present time.

That is something which has to be taken into consideration, if we are going to have an equity between diesel and gasoline.

What I want to impress also upon the hon. members is that the first investment is very much greater with the man who buys the diesel- as against the gasoline-operated vehicle.

Then, referring to something which the hon. Attorney-General (Mr. Roberts) is very much interested in, in his highway safety campaign which he is inaugurating in the province, we do know that the truck which is operating on diesel power is at present a much safer vehicle on the highway than the gasoline-operated vehicle, because especially in northern Ontario, and the more hilly parts of this province, they are able to take the grades at a much more uniform speed than the gasoline-operated vehicles. I think we also have to take that into consideration.

As I said a moment ago, the committee at least realized that there was an inequity as between gasoline and fuel oil operated vehicles, and any representation that came before the committee did not stipulate to us that there was any more than a 50 per cent. differential.

Yet, I see by this bill that we are raising it from 11 to 20 cents. We are going, I would say, beyond the equity that came before the committee on toll roads to the extent of 3 or 4 cents a gallon.

AN HON. MEMBER: No, from 13 to 20.

MR. MANLEY: All right. It is still going beyond 50 per cent. I say gasoline manufacturers of motors today are getting that differential much less than they were a few years ago, and if hon. members would look into production figures, which exist as between gasoline and diesel, I think they will find that the manufacturers of gasoline motors today have reached the point where they can show there is not any more than 15 per cent. difference in the economy of gasoline as against fuel oil.

I am inclined to think that we are going to cripple many trucking industries which have purchased diesel motor trucks within the last few years. We are endeavouring with this bill to impose quite a hardship on them. If it were a graduated tax, in two or three years from now, it would give them an opportunity to liquidate their assets, and possibly a further opportunity to go into the more efficient gasoline motors which are being manufactured at the present time.

Although I did sign the report, and realized the inequity was there, I did not think the inequity was to the extent that this bill calls for. As a member of the committee, I signed this report, yet, I have to vote against the bill.

HON. MR. PORTER: Would the hon. member, who has given some study to this problem, suggest what a proper differential should be?

MR. MANLEY: Mr. Speaker, the committee itself was not in a position—

HON. MR. PORTER: The hon. member says it is wrong, that the 7 cents differential is wrong. What does he say is right?

MR. MANLEY: I say this as a member of the committee, and I think the hon. members of the committee will agree with me, that in all these submissions, this committee did not point out any more than a 50 per cent. equity as between the gasoline and the fuel oil.

HON. MR. PORTER: Does the hon. member say 50 per cent. would be right then?

MR. OLIVER: As near right as the hon. Provincial Treasurer is.

MR. MANLEY: I am not saying it is right.

HON. MR. PORTER: What does the hon. member say is right? He says there is an inequity and that it should be corrected. What does he suggest?

MR. MANLEY: I say to the hon. Provincial Treasurer at this particular time that the recommendation of the committee was that there should be more study, and I think this new Department of Transport, which is to be set up, should very well take it into consideration. One of the first jobs would be to find out just what the inequity is, and then apply the tax accordingly.

MR. AULD: I would just like to ask the hon. member one question. I would have asked the hon. member for Kenora, but he did not answer the last one, so I will give up with him.

MR. WREN: The hon. Prime Minister interrupted me.

MR. WHICHER: That is too bad. We feel sorry for him.

MR. AULD: This is perhaps a rhetorical question, but I think the hon. member will agree with me that of these 824 vehicles, the committee found that, generally speaking, they were some of the high-mileage vehicles. I spoke yesterday on the toll road report,

and suggested that we try to make up for the inequity, or the regressive feature, of gasoline tax or fuel oil tax after a certain weight was reached, which was most pronounced in the higher weight vehicles, in a higher annual registration fee.

Most of these vehicles about which we are speaking at the present time are those which travel 150,000 or perhaps 200,000 miles a year. I think that the hon. members of the House should remember that, when we are discussing this diesel fuel tax.

I think the hon. member for Stormont, and all the hon. members of this House, would agree that, really, as far as the province is concerned, what we are interested in is having the people who use the highways pay their share of the cost.

As I asked a moment ago, if somebody built an electrically-powered vehicle—it might weigh 10 tons more, as it certainly would with present-day batteries—would it be suggested seriously that it should receive a tax consideration, or tax concession, to promote that kind of industry, yet cause more wear and tear on the roads at a lower figure? I do not think that is sensible.

MR. WREN: Mr. Speaker, that is a weak argument.

Actually, I think it will be agreed in the report of the committee on toll roads that their final desire for a solution lay in the direction of a weight-distance tax, and actually this fuel tax is only some temporary measure until some better means can be found for working out a tax on heavy vehicles. Is that not so?

We are not at all talking about a battery-operated vehicle. The hon. member for Leeds is accentuating that theory on his own. All the government is doing is escaping its responsibility in working out that kind of tax, imposing instead a regressive tax of this kind on the diesel units.

To further answer the hon. member's question and also what the hon. Prime

Minister asked me before I was interrupted again, when he talks about the weight of vehicles on highways, I would suggest, Mr. Speaker—and I think if the hon. members for Port Arthur, Fort William and for Rainy River would just stop and think—they will agree with me on this point, that even the gasoline-operated trucks do a great deal of damage to the highways, simply because the tonnage of those vehicles is not enforced.

I see all kinds of trucks rated by automotive engineers at 3, 4 and 5 ton capacities which are carrying 12 tons of pulpwood.

The whole answer to diesel or gasoline trucks is this:

When a vehicle leaves a factory at Fort William if it is a diesel truck, or a gas truck at Windsor, the automotive engineers have rated the safe carrying capacity of that vehicle on its axle and on its tire dimensions, and if the rated weights for which that vehicle is built were followed out to the letter, it would not matter whether the vehicle is one ton or 50 tons. One or the other would do no more damage to a particular graded highway.

To take two vehicles, for example, of 5 tons capacity each, one gasoline fuel and the other diesel-powered, and to suggest there should be a 50 per cent. differential in the tax, I think is discriminatory in the extreme.

There should certainly be a variation in the tax, but it should not exceed two or three cents, as is the experience in other jurisdictions.

MR. J. YAREMKO (Bellwoods): Mr. Speaker, the hon. member for Kenora is slightly confused. The tax we are now discussing has nothing to do with the application of the weight-distance theory.

MR. WREN: I did not say that.

MR. YAREMKO: The hon. member did. The hon. member suggested that the committee suggested this as a means to equate.

MR. WREN: No, I am suggesting it is a means to escape the application on weight.

MR. YAREMKO: The hon. member is completely wrong, because this has nothing to do with the weight-distance theory. It is to take care of the variance between the usage of different types of fuel.

If we take two 16-ton trucks and one is powered by gasoline, that truck will go a certain number of miles and will have paid a certain amount of tax; the diesel-powered 16-ton truck will go so much further, and unless the rate of tax it pays is equated to the extra difference that it goes, then the gasoline-powered 16-ton truck is subsidizing the diesel-powered 16-ton truck. That is the one phase completely.

Weight and distance, and the effect of weight of the vehicles on roads, take in a completely different factor.

There are a number of variables which have to be taken care of. One is fuel, the other is the weight of the truck, and so on.

But this deals only with the difference in the fuel, and the hon. members of the committee used the expression in order to convey to hon. members of the House that, supposing somebody did come out tomorrow with an atom-powered engine, it would be incumbent upon this House immediately to sit down and figure out what the tax should be on that atom-powered vehicle, because it would be able to go so much greater a distance.

MR. D. C. MacDONALD (York South): Mr. Speaker, we in the CCF will support this bill, and I can explain our reasons in about one minute.

I think our guiding principle in considering the raising of revenue for highways should be to put it on as equitable basis as is possible, and anything that reduces the present inequity as between various kinds of heavy transports, or as between heavy transports and auto-

mobiles, I think it is a move in the right direction.

The hon. member for Kenora argues that there is no justification for this amount of differential. I do not think that anybody can speak with absolute certainty on this, but certainly all the evidence we saw, in the toll roads committee's material that came before us, suggests that this 50 per cent. differential is about as fair a guess as one can make, and this is what the government has come up with.

I would like to point out to you, Mr. Speaker, that just a few days ago we had a meeting of the standing committee on government commissions, and before it appeared the chairman of the transport board, who made a comment at some point in reply to a question, that despite this tax, he had been speaking to the manager or president of some transport company, who indicated that they were going to switch their engines to diesels, in spite of this tax. And they apparently had looked at it pretty carefully.

I think this is reducing an inequity, therefore, it is a step in the right direction and we shall support it.

MR. OLIVER: Mr. Speaker, I do not share the enthusiasm of the hon. member for York South for this bill.

I agree, first of all, that there is an inequity as between diesel fuel and gasoline fuel as used in vehicles that travel on our highways, but I certainly think that the government in this instance went "hog wild" in putting a 20 cent tax on diesel fuel.

The hon. Prime Minister a few moments ago told us about studies that had been made in certain states of the union, and he said that 4 or 5 had recommended that there be a 50 per cent. differential. Yet, not any one of these states — some of these reports were as much as 7 years old — not one of these states today has anything like the differential that the hon. Provincial Treasurer proposes in this bill. Not one has over 2 cents as between gasoline and diesel fuel.

MR. J. P. ROBERTS (London North): It is expressed in percentages.

MR. OLIVER: I know that, and whether it is in percentages or not, it is 2 cents a gallon.

MR. ROBERTS: But the 2 cents of which the hon. Leader of the Opposition speaks might be 50 per cent., as it is in New York state. From 4 to 6 cents in New York state, surely that is 50 per cent.

MR. OLIVER: That is without the federal tax.

MR. ROBERTS: All right, that is all right.

MR. SPEAKER: Order.

MR. OLIVER: There is a need for a tax differential, I grant the hon. Provincial Treasurer that. But what he is doing here is not imposing a 50 per cent. increase, it is actually almost 100 per cent. The old tax a year ago was 11 cents, and was raised to 13, and now it is 20, so now it is actually a 20 cent tax.

I suggest to the House, Mr. Speaker, that this is an exorbitant figure to put on diesel fuel. Not another province in Canada, so far as I know, has a differential as between the two.

HON. MR. PORTER: That is no criterion.

MR. OLIVER: If we want to pioneer, let us pioneer in a realistic sense, not one that is going to drive out the industry altogether. I certainly cannot support this bill, with the figure that is in here now.

HON. C. DALEY (Minister of Labour): Mr. Speaker, I have been very much interested in this discussion.

It has been suggested that there is a possibility of putting the great diesel industry out of business, and from the discussions here, it would appear to

me that the success or failure of a diesel truck rests entirely on the fact that it is able to have a discriminatory differential tax on the road. I do not think that is the case.

Frankly, I have always felt that the diesel engine was reckoned to be a very efficient piece of machinery, that it had greater hauling capacity, greater length of life, and less maintenance costs than a gasoline engine. I thought there were a great many advantages that encouraged people to pay more money for them initially than for another type of fuel burner. I do not think that the diesel industry is going to go out of business just because they have to pay equally with other types of fuel burners on the road.

MR. WHICHER: Mr. Speaker, may I say in fairness to the hon. Provincial Treasurer that if the only thing which had to be taken into account in this respect was the differential in miles, that is the mile rate which was quoted, of 4 to 6 cents, then there would be no question about the situation at all, and I would say that all of the hon. members over here would be willing to support the bill.

But that is not the whole picture by any means. Other factors enter into the situation. I think we should look at them all.

For example, the initial cost of a diesel motor truck is at least between \$3,400 and \$5,000, or 20 to 60 per cent. more than a comparable gasoline truck. Surely, that should be taken into consideration.

HON. MR. PORTER: Then should it be charged less tax, because it cost more?

MR. WHICHER: No, but it is a factor which should be taken into consideration.

HON. MR. PORTER: I do not think it is relevant at all.

MR. WHICHER: It is a factor which should be taken into the situation.

HON. MR. PORTER: Why?

MR. WHICHER: Well, why should the hon. Provincial Treasurer just compare it on a mileage basis, then?

MR. YAREMKO: Because that is the way the highway is paid for.

HON. MR. PORTER: It is a highway tax we are talking about, not a tax on the cost of the vehicle.

MR. WHICHER: On top of that, diesels have less pay loads, the average diesel truck weighs in the neighbourhood of 2,000 pounds more than a comparable gasoline truck.

HON. MR. PORTER: That would put more weight on the highway.

MR. WHICHER: The diesel vehicle then must carry 2,000 pounds less pay load. Surely that is a factor, if the other one is not.

HON. MR. PORTER: I do not see that it has the slightest thing to do with what they pay in road tax.

MR. WHICHER: If everything the hon. Provincial Treasurer says is correct, why are there only 700 to 800 diesel vehicles today? Why not all diesels, if what he says is correct? In the past, they have been paying only 11 cents.

HON. MR. PORTER: I do not know.

MR. WHICHER: The reason obviously is because it does not pay completely to have diesel trucks.

HON. MR. PORTER: If it does not pay, then what good are they?

MR. YAREMKO: Would the hon. member for Bruce permit a question?

MR. WHICHER: Yes.

MR. YAREMKO: Does the hon. member know that in the city of Toronto this year there are now automotive passenger vehicles being powered by diesel fuel? This year; and why have they come into effect this year?

MR. WHICHER: Mr. Speaker, I agree there are diesel-powered automobiles in Toronto, and I agree that there should be some differential in this tax; no question about that.

HON. MR. PORTER: Would the hon. member like to say what it should be?

MR. WHICHER: The point is, the government has made it far too much.

HON. MR. PORTER: Then what should it be, what is right?

MR. WHICHER: I will suggest a figure, Mr. Speaker, I am not afraid to "shove my neck out," and it will not be out as far as that of the hon. Provincial Treasurer at the present time.

The benefit of the increased mileage per gallon of diesel trucks is offset by greater cost and lower pay load. If this were not true, there would be many more diesels in operation today.

Surely that is a factor.

MR. ROBARTS: What is the hon. member quoting from? The same thing that I am reading?

MR. WHICHER: I am quoting from here, there and everywhere.

MR. ROBARTS: That is a direct quote from the Ottawa transport association.

MR. WHICHER: That is true.

As a matter of interest, one major transport owner disposed of his diesel vehicle as of December, 1956—

And I am sorry that the hon. Minister of Health is not in his place, because in Owen Sound they have the Northern Transport Limited headquarters, and they have 90 units on the road, only 2 of which are diesel equipped.

HON. MR. PORTER: Would the hon. member give that figure again?

MR. WHICHER: They have 90 units on the road, and only 2 of those 90 are diesels.

HON. MR. PORTER: That is Hipwell?

MR. WHICHER: No, that is the Northern Transport.

HON. MR. PORTER: Two are diesels?

MR. WHICHER: Yes, 2 out of 90. I suggest that if everything has been weighted in favour of diesels in the past, surely there would be 88 diesels and only 2 gasoline trucks. Surely if everything is weighted in favour of the diesel, it would be the other way around.

MR. G. F. LAVERGNE (Russell): It is the initial investment, Mr. Speaker, that is why people do not want to buy them.

MR. WHICHER: And most of the newspapers in this province are supporting the stand that we take. There are any number of editorials in all sorts of papers. I have editorials here from the *Toronto Telegram*, the *Toronto Daily Star*, and many more.

MR. J. A. MALONEY (Renfrew South): The *Warton Flash*?

MR. WHICHER: I would far rather that it be The *Warton Flash* than the *Renfrew Flash*.

MR. MALONEY: We have not a *Renfrew Flash*.

MR. WHICHER: In the arguments which the hon. Provincial Treasurer presented to the House tonight—and the hon. Prime Minister read from material which he has over there—they both attempted to prove that in the 48 states of the union, there was a considerable differential.

HON. MR. PORTER: We were not trying to prove that at all.

MR. WHICHER: I was not in my place yesterday when the subject was discussed, but the hon. Minister said that certain recommendations had been made.

The point is that those recommendations in the majority of cases were made 5, 6 or even 10 years ago, and the fact is that as of January 1, 1957, the largest differential in any of the states in the United States was only 2 cents per gallon.

The hon. Prime Minister read off figures after figures. Here are the correct ones as of January 1, 1957:

Alabama—7 cents gasoline tax, 7 cents diesel;

Arizona—5 and 5;

Arkansas—6½ and 6½;

California—

the hon. Prime Minister read about California—

California gasoline tax 6 cents, diesel tax 7.

HON. MR. PORTER: What has that to do with Ontario?

MR. WHICHER: It has a lot to do with Ontario, because surely we can take some suggestions from the United States which have been involved in this for many years. The largest one is New York state.

MR. ROBARTS: Let the hon. member express New York as a percentage, instead of 2 cents.

MR. WHICHER: Yes, all right.

MR. ROBERTS: It is 4 to 6.

MR. WHICHER: The largest one is New York state, and there the gasoline tax is 4 cents. It is a state gasoline tax.

MR. ROBERTS: That is comparable to what we are talking about.

MR. WHICHER: And the diesel tax is 6 cents. Now, just a minute, the total gasoline tax in New York state, as the hon. member for London North certainly knows, is 7 cents.

HON. MR. PORTER: But that is the federal tax included.

MR. WHICHER: And the total diesel tax is 9 cents. So it is not a ratio of 4 to 6 cents; it is a ratio of 7 to 9 cents.

HON. MR. PORTER: But the hon. member is adding the federal tax.

MR. WHICHER: Well, I am talking about tax, it has to come out of the owners' pockets whether it is federal or state.

MR. ROBERTS: It may be that the state government recognizes this differential as it should do, and the federal government does not. All the hon. member does is add on the two figures to distort what has obviously been a result arrived at by the taxing authorities of the state of New York, which is a 50 per cent. differential.

MR. WHICHER: Then I wonder how the hon. member for London North likes this one? This is Wyoming.

MR. ROBERTS: It is the other way around.

MR. WHICHER: Yes, Mr. Speaker, there the gasoline tax is 5 cents and the diesel tax is 4 cents.

HON. MR. PORTER: The hon. member surely does not want us to do that, does he?

MR. ROBERTS: Wyoming is not a very forward looking state in the way they tax fuels which motivate their vehicles.

MR. WHICHER: I wonder if the hon. member then would like to quarrel with our neighbouring state of Michigan, because there, as of January 1, 1957, the tax was 6 cents for gasoline and 6 cents for diesel.

MR. YAREMKO: What was it in Ontario, as of January 1, 1957?

MR. WHICHER: I am talking about Michigan at the moment. Not only is this bill imposing what I regard as an unjust tax on the diesel operators in this province — that is, the differential is much too great — but it certainly is a mortal blow being struck at the people who produce diesel engines in this province.

MR. LAVERGNE: Oh, let the hon. member come down to earth.

MR. WHICHER: We will see who is going to cry here in a few minutes. I am going to quote a letter written from the riding of the hon. Minister of Health, a man for whom I have the greatest respect, but I would like to know how he gets around this letter.

This, Mr. Speaker, is from the Russell Hipwell Engines Limited, one of the largest industries in Owen Sound. It is addressed to the hon. Prime Minister of the province of Ontario, and it reads as follows:

This letter is respectfully submitted to point out the effect that a 7 cent differential tax between gasoline and diesel fuel will have on the trucking industry in general, and our business in particular.

At first glance the tax would seem fair.

This is something which I think should be remembered.

It is based on the assumption that a diesel truck will travel 50 per cent. further than a gasoline-powered truck on a gallon of fuel.

Surely that is being fair.

HON. MR. PORTER: What is that again?

MR. WHICHER:

It is based on the assumption that a diesel truck will travel 50 per cent. further than a gasoline-powered truck on a gallon of fuel.

And that is the hon. Provincial Treasurer's argument in a nutshell—

This fact was true a few years ago, but with recent improvements in high compression gasoline engines, the spread has greatly been reduced. A diesel truck, however, costs from 30 to 50 per cent. more than a gasoline-powered truck, and with diesel and gasoline fuel costing approximately the same, the reasons for purchasing a diesel truck for economy reasons are eliminated if a 7 cent greater tax is placed on diesel fuel.

One of the purposes of our company is to promote the sale of diesel trucks as well as replacing gasoline engines in trucks with diesel engines. Immediately after the 7 cent differential tax was announced, all orders we had on our books were either cancelled or held up awaiting clarification.

Our customers now tell us that unless the 7 cent differential tax is eliminated, they will not purchase diesel equipment and that they will endeavour to dispose of the diesel equipment they now have.

Surely that is important. This is one of the outstanding companies in Owen Sound—

MR. MALONEY: Wait until I get a towel.

MR. WHICHER: The hon. member for Renfrew South will be using the towel.

HON. MR. PORTER: May I point out to the hon. member that they have been doing all that while this bill was pending, perhaps the hon. member has not thought of that. The customers say they are going to cancel everything and not going to buy another diesel in all their lives because they think by doing that they will put enough pressure on some of the hon. members in the House, including those hon. members of the opposition, to force the House to do something which it is not justified in doing.

HON. MR. NICKLE: What is the date of that letter?

MR. WHICHER: February 27, 1957.

MR. AULD: How much of that production goes into over-the-road vehicles? I would be interested in knowing that.

MR. WHICHER: We will get to that soon. To carry on:

The result is that only 8 states have a differential tax, one of which has a lower tax on diesel fuel and of the other 7, the greatest differential is two cents.

HON. MR. PORTER: Does it mention Oregon?

MR. WHICHER: Oregon is here; Oregon is 6 and 6.

HON. MR. PORTER: But then here is an additional—

MR. WHICHER: The hon. Provincial Treasurer wanted Oregon, is he satisfied?

HON. MR. PORTER: No, I am not satisfied with the hon. member's figures on Oregon.

MR. WHICHER: I will bet the hon. Provincial Treasurer they are right.

HON. MR. PORTER: There is no tax on diesel fuel as such in Oregon; there is a weight-distance tax equitable to diesel trucks, and it includes an extra charge over that for gasoline trucks, which amounts to a diesel tax of 50 per cent. greater than the gasoline tax.

That is the way it works out there with their weight-mile. They have apparently given great study to this and have come up with this. They have adopted the weight-mile tax, and it is all rolled in with this—

MR. WHICHER: Why do we not adopt the weight-mile tax instead of fooling around with something about this? How about this:

There is no differential in Great Britain.

Now let the hon. Provincial Treasurer come on up with his rabbit out of a hat and explain that.

HON. MR. PORTER: We are not concerned with that.

MR. WHICHER: No, the hon. Provincial Treasurer is not concerned with anything except putting these people out of business. Now listen to this:

The substantial growth of Ontario has caused our company to expand its Owen Sound facilities to Toronto and Port Arthur.

MR. WARDROPE: I have talked to some people and I think my arguments are better than the ones the hon. member is using.

MR. WHICHER: Well, these are their arguments:

This expansion entails an expenditure of over \$500,000.

Further to the expansion of buildings, etc., it was necessary to properly staff each and every operation.

Our operation in Owen Sound employs 300 people; in Toronto 43 and in Port Arthur, 22.

As can be appreciated, an expenditure of this kind would not have been undertaken if we had had any idea that our government would place a tax on the operation of our product at a rate that would make the sale of it prohibitive.

The hon. members are going to have their chance to vote for or against this bill, particularly those who live in areas where they are going to put these people completely out of work.

MR. WARDROPE: Mr. Speaker, we are not political cowards, and we do not speak—

MR. SPEAKER: Order. You will have an opportunity to speak in a moment.

MR. WHICHER: I wish I had an editorial from the Port Arthur paper, because I am now going to read one from the Owen Sound *Sun-Times*.

MR. MALONEY: Let the hon member get his towel.

MR. WHICHER: I do not need any towel, it will be the people who are going to vote for this who will need the towel. This is dated March 13, 1957:

Owen Sound is vitally interested in the proposal of the Ontario government to impose a tax of 20 cents per gallon on diesel fuel. The industry affected in a serious adverse way is one of the city's main industrial organizations, Russell Hipwell Engines Limited.

The hon. Dana H. Porter, Provincial Treasurer, brought down his 1957 Ontario budget in the Ontario Legislature a few weeks ago; effect was given to an immediate 2 cent boost on both gasoline and diesel fuel oil, but provision was also made for an additional 7 cents per gallon levy

on diesel oil to go into effect on April 1st.

The announcement by April 1st that the tax on diesel oil would be almost 50 per cent. higher than on gasoline came like a bombshell to the industry. In effect, the new tax will strike a body blow at the Owen Sound industry and at the trucking industry in general.

No one will quarrel with the Ontario government's policy of trying to step up its programme of road building, and trying to get the money to do it through a tax on the use of gasoline and fuel oil, but what the diesel people and the Owen Sound firm are particularly objecting to is the proposed discrimination of a 20 cent tax on fuel oil and 13 cents on gasoline.

There is no denying the fact that a truck will go farther on a gallon of diesel oil, but gasoline engines have been improved to such a great extent in recent years that the difference between the two methods of motive power has narrowed greatly.

MR. MALONEY: That fellow read the Hipwell letter before he wrote that editorial.

MR. WHICHER: This is a good Conservative who wrote this:

Diesel engine operators have been paying the federal government sales tax to the extent of 10 per cent. as well as duty on all the diesel engines imported into this country. While the Ontario government does not share in these taxes, they do go to the general welfare of all Canadians including those living in Ontario.

HON. MR. NICKLE: What is the date of the editorial?

MR. WHICHER: March 13th.

Russell Hipwell Engines have spent much more than \$500,000 in expanding their business in Owen Sound, Toronto and Port Arthur. New build-

ings were built and new staff added to look after the business as it grew. Now this differential in tax threatens the whole set-up.

The plain facts are that diesel engines are substantially more expensive to buy in the first place than other types. Unless there are some substantial savings in the operation of diesel trucks, the extra cost is not justified.

HON. MR. GRIESINGER: Mr. Speaker, may I ask a question?

MR. WHICHER: I am going to close off just here, but I would like to point out that I consider that there should be a differential between gasoline tax and diesel. What that differential is, is this government's business, and it should make the decision, but all I say now is that if it considers that 20 cents is justified—

HON. MR. PORTER: The hon. member leaves it to me, and says it is my business, and I do it, and then he says it is no good.

MR. WHICHER: If the hon. Provincial Treasurer considers that 20 cents is justified, and he and the hon. members of this Tory government of his want to railroad this thing through, then that is his responsibility.

HON. MR. PORTER: Railroad nothing through.

MR. WHICHER: It is going to be the responsibility of the hon. Provincial Treasurer not only to hit the trucking industry quite a crack, but to cause unemployment in such places as Owen Sound.

He talks about stability, and says when a person goes into business that he should within a certain reason know what sort of tax he is going to pay. I think perhaps the difference between 11 and 13 cents, 2 cents—even though I do not consider it was justified, because the

hon. Provincial Treasurer has the money from other places in his treasury coming in—but at the same time the difference between 11 and 13 cents is something which is on a reasonable percentage.

But when this government jumps from 11 to 20 cents, what sort of financing is that? What sort of stability has any industry when this government jumps almost 100 per cent. at one jump?

I suggest to hon. members there is no reason to it whatsoever, and when the hon. Provincial Treasurer and the hon. Prime Minister rise and tell hon. members: "You are standing up for the 'little people' of the province of Ontario," I suggest that they think of the 300 "little people" in Owen Sound who are going to be thrown out of work by this added tax.

Just in closing, I might say that the toll roads committee was not able to decide what the differential should be. Nowhere in the toll road report does it say what it should be, and they suggested that this matter should be studied by a transport board. I suggest I do not care who this government studies it with, but it is doing a rank injustice to the trucking industry of this province, and to the little people who are going to be thrown out of work by this legislation.

HON. W. GRIESINGER (Minister of Public Works): Mr. Speaker, I would just like to ask the hon. member for Bruce whether he believes in his own mind that this 20 cent tax on diesel oil is any more of a body blow to those people than the 10 per cent. sales tax and the 10 per cent. excise tax which the government at Ottawa put on automobiles?

MR. WHICHER: Mr. Speaker, I would like to answer that. We are not talking about sales tax here tonight. If I was in Ottawa, perhaps I would voice my opinion against it, but I am in Toronto, and I want everybody to know that I am voicing my opinion against this.

But then, let this government "hop right to it"; it has a great big stick over here, and it is just about to swing it, and everybody in this province is going to know which way it is swung.

HON. W. K. WARRENDER (Minister of Municipal Affairs): Mr. Speaker, may I ask the hon. member a question? I understand that 75 per cent. of the Hipwell Company's business is diesel engines for construction purposes, not for engines going into trucks which operate on our highways. Is that correct?

MR. WHICHER: Is not this government putting a 2 cent tax on them also?

HON. MR. WARRENDER: They are not using our roads, those same machines will be manufactured to be used in the construction business. If 75 per cent. of the Hipwell business is for diesel engines to be used in the construction industry, why are they worried? They are still going to have a good amount of their business left.

The hon. member says that this will in effect put that company right out of commission, but it will be interesting to see their report one year from now, when we see the increase in business as a result of the new movement toward diesel motors.

MR. YAREMKO: I listened with some care to the hon. member for Bruce. I do not know whether he was in his place on February 28th or not; I assume he was.

At that time the hon. Leader of the Opposition, sitting immediately to his right, had some words to say on the motion for the second reading of the gasoline tax bill. It is too bad, Mr. Speaker, those speeches of the hon. Leader of the Opposition and the hon. member for Bruce did not follow each other in sequence, but that they were some 3 weeks or more apart.

I read at page 702 of this year's *Hansard*, and I will quote the hon. Leader of the Opposition:

Then we come to the toll road report which has been discussed in the House this afternoon. The toll road committee recommended a number of things by way of increasing revenue and distributing that revenue equitably among the motorists of the province; and the government, with its usual lack of wisdom, looks to one field only and casts the others to one side.

MR. J. YAREMKO (Bellwoods): Will the hon. Leader of the Opposition permit a question?

MR. OLIVER: Yes.

MR. YAREMKO: If the hon. Leader of the Opposition would refer to page 47 of the committee's report, recommendation No. 4, this is a recommendation not being referred to at the present time.

MR. OLIVER: That is what I was talking about. All the others, the government did not look at.

MR. YAREMKO: Recommendation No. 4, on page 47.

MR. OLIVER: What is it? Let the hon. member read it.

MR. YAREMKO: "... to equate the tax contribution for vehicles of the same size and weight powered either by gasoline or other fuels." There are other recommendations that are being put into force, and not just the one that is being referred to —

MR. OLIVER: There are a lot of recommendations that are not being put into force. That is for certain. The hon. member is suggesting that the government is taking two and leaving the rest. Surely that it what is being suggested.

MR. YAREMKO: I am suggesting that it is more than one.

That is how it reads in *Hansard*.

I wish to make the point to the hon. Leader of the Opposition that the government had already taken this step but, at that time, we were discussing only the second reading of The Gasoline Tax Act, and that they had made up their mind they were going to be against that second reading. They did not pay any attention to this one at the time. They accused the government of giving attention to only one.

MR. WHICHER: Mr Speaker, may I answer the hon. member for Bellwoods. What we say is this: The government is going away too high. They are like the New York Yankees; they want to be champion of the whole world.

MR. YAREMKO: At that time, the hon. Leader of the Opposition was decrying the fact that the government was imposing a two cent gas tax and was paying no attention to any other recommendation. No attention at all.

MR. OLIVER: I think the hon. member for Bellwoods has something there if he will just keep after it.

MR. WHICHER: Will the hon. member let us know when he finds it?

MR. YAREMKO: It is to bad that these two bills were not on the order paper at the same time, because the mental gymnastics of the hon. Leader of the Opposition and his left-hand man would have been very interesting to hear at one time.

MR. GIBBORN: The little reading I have done on diesel engines gives me the impression they also provide about 100 per cent. more engine service, and that is a point I had not heard tonight in opposition to this bill, and the concern of some of the hon. members about the increase of the tax.

As far as the backlog is concerned, I think General Motors will look after that, and as soon as they have the backlog on diesel engines filled, they will make arrangements so that they can cut the price tremendously and look after those people who are doing the operation.

HON. MR. PORTER: Mr. Speaker, we have travelled quite a distance in this debate.

MR. MacDONALD: By diesel fuel.

HON. MR. PORTER: I have before me here an advertisement of the Russell Hipwell Engines Limited, and I may say it is a very fine concern. Mr. Hipwell is a fine man, and I would not wish him any harm in the world. The advertisement reads:

Fuel savings alone pay for your Cummings diesel time and again.

In other words, with the fuel savings of that truck, they can pay for the whole truck. Fuel savings alone.

MR. WHICHER: It would not be exaggerated?

HON. MR. PORTER:

Fuel savings alone pay for your Cummings diesel time and again. Can you afford any other product? Tell us what industry you are in, and the kind of equipment that is used, and we will send without obligation other case histories where Cummings have paid for themselves by fuel savings.

It is time to talk about the higher cost of the diesel motor and the extra weight of the truck, and all those other things, the whole of which can be paid for by fuel savings. And, I do not know whether he means fuel cost plus tax.

MR. WHICHER: I would suggest, perhaps, they are exaggerating almost as much as the hon. Minister.

HON. MR. PORTER: This is what they said. The hon. member has read a letter from the same firm. They now seem to be putting it in a somewhat

different light. All I say is, in their own advertisement they say fuel savings are sufficient to pay for the diesel.

MR. WHICHER: They will not be advertising like that next year, because they will be out of business.

HON. MR. PORTER: They have a steam shovel, one truck, a ship or boat of some kind, and they have some sort of farm machine, I think it is. The only item on that list that would probably ever be included in this tax is the truck, and the trucks are the small items in the diesel industry in this province.

As I said, there are over 800 trucks taxable under this Act, and most of those have been imported and not even assembled here.

It is estimated there are 10,000 tractors and bulldozers using diesel fuel not taxable under this Act at all; and, to what extent it has been carried on, the smallest part of the industry is the truck part.

The largest part of it is of the sort of diesel machinery which is not taxable under this Act so, it seems to me, anybody seriously saying that the diesel industry, to whatever extent it has been developed, will be destroyed by this Act, is not talking sense.

There is one other point I would like to make:

The hon. member objects to the 7 cent differential. He says 7 cents is too much. What the trucking operator is interested in, is the net position after he has paid all taxes. The hon. member must remember that when the operator pays diesel taxes that is an expense of operation, and corporation income tax is one-half of it.

MR. WHICHER: That has nothing whatever to do with it.

HON. MR. PORTER: The hon. member has been so far away from the facts, in whatever he has said in this debate, that he would not see it.

To any trucking company running at a profit, the actual differential is 3.5 cents and not 7, and that is perfectly clear. The hon. member can figure it out any way he likes, but that is so.

Just as this House was discussing the other day, the mining tax is an item of expense, which makes the corporation income tax less as a result of it; it costs the company only one-half.

It is the same with the diesel tax and the gasoline user who only pays 3.5 cents more in corporation income tax, and if that differential of 3.5 cents is going to put that industry out of business, it must be on a very precarious foundation.

I move, therefore, Mr. Speaker, we vote for the bill.

MR. J. J. WINTERMEYER (Waterloo North): The point I would like to make is simply that we agree that there is an inequity here, and we agree that there has to be a differential, but that the experts in the highway committee could not determine on the amount of it. Apparently we are going to have an expert highway committee set up shortly. Why cannot we leave it to them to determine the exact amount of the differential?

MR. SPEAKER: Mr. Porter moves second reading of Bill No. 115, "An Act to amend The Motor Vehicle Fuel Tax Act, 1956."

MR. OLIVER: I think we had better have a vote.

YEAS	NAYS
Auld	Gordon
Belisle	Innes
Boyer	Manley
Cathcart	Nixon
Cecile	Oliver
Chaput	Spence
Collings	Whicher
Connell	Wintermeyer
Cowling	Wren
Daley	— 9

YEAS—*Continued*

Doucett
 Edwards
 Elliott
 Frost
 (Bracondale)
 Frost
 (Victoria)
 Gisborn
 Griesinger
 Grossman
 Janes
 Johnston
 (Carleton)
 Jolley
 Lavergne
 Letherby
 Lewis
 MacDonald
 Mackenzie
 Maloney
 Mapledoram
 Monaghan
 Morin
 Morrow
 Murdoch
 Nickle
 Noden
 Parry
 Phillips
 Porter
 Pryde
 Rankin
 Robarts
 Robson
 Root
 Sandercock
 Spooner
 Thomas
 (Oshawa)
 Wardrope
 Warrender
 Whitney
 Yaremko
 — 49

MR. SPEAKER: I declare the motion carried.

Motion agreed to; second reading of the bill.

HON. L. M. FROST (Prime Minister): In moving the adjournment of the House, the business tomorrow is the

estimates of The Department of Health. Then we continue with the debate on the tax bills and the budget.

There will be a night session. May I also point out to hon. members that on Thursday, due to engagements which the hon. members have that evening, I hope to arrange the business

of the House that we will adjourn around 5.00 o'clock on Thursday.

I move the adjournment of the House.

Motion agreed to.

The House adjourned at 11.30 of the clock p.m.

ERRATA

(March 14, 1957)

<i>Page</i>	<i>Column</i>	<i>Line</i>	<i>Correction</i>
1088	2	26	Change to read: "to say that I was not personally acquainted with the family of these youngsters in my riding, although very familiar with the section."
1088	2	41	Change to read: "But above all, let us accept the responsibility as adults, to be doubly careful in the vicinity of children."



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, March 20, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Wednesday, March 20, 1957

First report, standing committee on municipal law, Mr. Cass.....	1341
Presenting report, Mr. Dunbar.....	1341
Estimates, Department of Health, Mr. Phillips.....	1342
Income Tax Rental Agreement, bill to authorize, Mr. Porter, second reading.....	1369
Logging Tax Act, bill to amend, Mr. Porter, second reading.....	1369
Interest of the Crown in lands pledged for purposes of bail, bill to protect, reported.....	1382
Change of Names Act, bill to amend, reported.....	1383
Credit Unions Act, 1953, bill to amend, reported.....	1383
Deserted Wives' and Children's Maintenance Act, bill to amend, reported.....	1383
General Sessions Act, bill to amend, reported.....	1383
Judges' Order Enforcement Act, bill to amend, reported.....	1383
Loan and Trust Corporations Act, bill to amend, reported.....	1383
Probation Act, bill to amend, reported.....	1383
Real Estate and Business Brokers' Act, bill to amend, reported.....	1383
Survivorship Act, bill to amend, reported.....	1383
Unclaimed Articles Act, bill to amend, reported.....	1383
Insurance Act, bill to amend, reported.....	1383
Recess, 6.00 o'clock.....	1384

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

WEDNESDAY, MARCH 20, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. F. M. CASS: Mr. Speaker, I beg leave to present the first report of the standing committee on municipal law, and move its adoption.

CLERK OF THE HOUSE: Mr. Cass presents the first report of the standing committee on municipal law, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 132, An Act to amend The Fire Guardians Act.

Bill No. 133, An Act to amend The Public Utilities Act.

Bill No. 134, An Act to amend The Municipal Subsidies Adjustment Act, 1953.

Your committee begs to report the following bills with certain amendments:

Bill No. 131, An Act to amend The Local Improvement Act.

Bill No. 142, An Act to amend The Municipal Drainage Act.

Bill No. 144, An Act to amend The Assessment Act.

HON. G. H. DUNBAR (Provincial Secretary): I beg leave to present to the House the second annual report of the Ontario Telephone Development Corporation, for the year ending December 31, 1956.

MR. SPEAKER: Introduction of bills.

Before the orders of the day, I would like to welcome to the House this afternoon students from the following schools: Lillian Street Public School, North York; Lion's Head School, Lion's Head; Rivercrest Public School, Etobicoke; North Essex High School, Belle River; Strabane School, Mill Grove; and Burlington Public School, Burlington.

HON. A. K. ROBERTS (Attorney-General): Before the orders of the day, I would like to say that there has been some publicity given to the sentence by a local magistrate of a 19-year-old boy—a young man—to 14 years for stabbing, although the actual technical offence may have been greater than that.

I would like to say that in order to make sure that this sentence is thoroughly reviewed, the Crown is facilitating an appeal by the accused against the sentence.

The normal procedure would be an appeal by the Crown on the ground that the sentence is not adequate. Arrangements are being made through the legal head of the law society to see that counsel is supplied to the accused in the appeal, and it is the intention of the Crown to facilitate the appeal and to

look into the matter very thoroughly, and, if considered advisable, to support the appeal.

MR. SPEAKER: Orders of the day.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF HEALTH

HON. M. PHILLIPS (Minister of Health): Mr. Chairman, first of all I would like to pay tribute this afternoon to all my officials, to my Deputy Minister, Doctor Phair, the 13 directors of the 13 divisions, as well as all the staff we have, which numbers over 7,000 in full-time staff in the provincial Department of Health. They work in harmony and co-operation at all times.

This afternoon, I would like to divide my remarks, Mr. Chairman, into two parts; firstly, the problem of mental illness and associated conditions; and, secondly, extra spending as shown in the estimates.

In the past 10 years, the demand for mental hospital care has greatly increased. Between 1946 and 1956, the number of first admissions in mental hospitals has risen from 2,590 in 1946 to 4,600 in 1956; that is, the number of first admissions increased 84 per cent., a proportionate increase from 61 per 100,000 in 1946 to 86 per 100,000 in 1956.

At the same time, the hospitals' population increased by about 33 per cent., from 15,500 in 1946 to 20,500 in 1956—and I am quoting round figures—representing a proportionate increase from 378 per 100,000 of population in 1946 to 387 per 100,000 of population in 1956.

At the end of 1956 there were, in addition to the 20,500 patients in hospitals, 800 in approved homes and a little over 2,000 on probation; and we have, today, 23,346 people under our care in the mental homes. In 1956, an increase in medical staff in two hospitals was accompanied by an increase in the discharge rate, with the result that for the first time the hospitals' population showed a slight decrease during the year.

During the 1946-1956 period, the number of aged patients in hospitals doubled, and the proportion of people in hospital of 65 years of age and over increased from 15 to 21 per cent.

During the same period, the number of mentally-defective patients in Ontario hospitals and like hospital schools increased from 3,400 to 5,400. That is, an increase from 82 per 100,000 population to 101 per 100,000 population.

I may say that all these figures may seem confusing, but are very important, and the first page of my text covers practically all the statistical information.

At the end of 1955, there were 2,300 mentally-defective patients under 20 years of age, and 3,500 over 20 years of age in our Ontario hospitals. The actual number of mentally ill and mentally defective persons in any community is not accurately known, because accurate figures cannot be obtained without a detailed survey of the entire population.

However, it is estimated that in any population of 100,000 there are approximately 400 mentally ill persons requiring hospital care, and 100 to 150 mentally defective persons requiring care. That is on the basis of 100,000 people.

Persons with a moderate degree of mental defectiveness, not requiring institutional care, may constitute as much as 3 per cent. of the population; that is those with an IQ of 70 or under, or probably I should say in this moderate degree of mental defectiveness, an IQ of between 70 and 80.

There never has been any accurate figure of the incidence of mental illness. Indications are that there is an increase in certain types, but there is no real factual basis for making any kind of definite statement on that.

Just because illnesses are increasing, it does not necessarily mean that mental illness is increasing. I think that is very important, because a great many people feel that the number of people who are mentally ill and mentally defective is rapidly rising. That is not true according to our statistics. There may be a slight rise, but it is very slight.

In recent years, it has been recognized that there are young children who suffer from mental illness with symptoms very much like schizophrenia. The numbers are fortunately small, but 137 were identified in one study carried out at the Hospital for Sick Children, Toronto, during last year. It is estimated that about 250 such children are seen each year in psychiatric clinics, across the province.

We have in Ontario, first, the Toronto Psychiatric Hospital, which is a highly specialized hospital, for short-term patients and for research. It is under the University of Toronto as far as research and the training in undergraduate and post-graduate medical students are concerned.

Then we have 10 active hospitals; we have 4 chronic hospitals, and two hospital training schools, one at Orillia and the other at Smiths Falls.

In the last 5 years, in fact, even longer than that, we have tried to segregate our patients as far as possible, and we can divide those in the active hospitals as follows: 1, admission; 2, intensive treatment; 3, long-term treatment; 4, convalescent; 5, continued care; and lastly, 6, those who have not responded to modern therapy, this consisting of those who are aged or infirm.

We have done a number of things within our hospitals which we are very proud of. They are not exactly what one might call medical therapeutic measures,

and yet they have been of considerable aid in our treatment programme.

I want to say to the hon. members of this House that once a person enters an Ontario hospital for the mentally ill, he is entering a hospital which is really no different from our general hospitals, and there should be no stigma attached whatever, because our minds will get sick just as will other parts of our bodies.

There are still people, like hon. members and I, who seem to think that once a person goes into a mental hospital, that he becomes a changed person. However, these people like the same things as we have in our homes, or the facilities which we can have from our homes.

Since 1951, we have established beauty parlours in all of our active treatment hospitals with definite benefit therapeutically. We have provided, particularly to the female patients, bright coloured dresses and even allow them to pick out their own, instead of their wearing the old blue jean uniforms.

We have done away with, as far as possible, the old army grey blanket and supply solid-coloured blankets, the same as hon. members and I might use in our own homes.

We have now about 25 per cent. of our beds with Gatch frames, particularly for the aged, who require the upper part of their body to be elevated.

These are things which have really gone a long way towards getting our patients better, and that is our main consideration.

Since 1954, we have been training a number of girls as nurses' aids and also male personnel as attendants, because both these classes do a great deal of nursing care for the patients. Then, we are carrying out a great deal of occupational therapy as well as physical therapy, and the first training programme was started in the Ontario hospital at Kingston in 1953.

I am only going to mention the various forms of modern therapy which

we are carrying out on a large number of our patients in all our active Ontario hospitals. We are carrying out insulin coma, sub-coma insulin, electro shock, or what we call electro convulsive treatment, leucotomies, tranquillizing drugs, and as I said before, occupational therapy and physiotherapy.

For our patients who get well enough to leave the hospital, yet are not well enough to go back into their communities and into their homes, we have established a number of approved homes. We are paying the people running these homes at the rate of \$11.50 per week, and we have 798 patients at the moment in these approved homes.

As a matter of fact, they go there for a trial period. We have our doctors and our psychiatrists, psychologists and other personnel visit them at regular intervals, so that these professional people can inform us whether the patients should go back into the Ontario hospital, or whether they are fit to go to their own homes.

The next item here is of very great value to every community in Ontario, and hon. members will find an item of \$157,000 for community health services.

We want to bring to every community in Ontario the advantage of having a psychiatric team which consists of psychiatrists, one or more psychologists, nurses with psychiatric training, social service workers, and so on. In doing so, we are going to be able to give every part of this province not only proper mental health care, but we are going to diagnose these mentally ill patients earlier. It is just as important to diagnose a case of mental illness early as it is with cancer or tuberculosis.

I do want to say a word about our psychiatric units in general hospitals, which the government established in 1952 with capital grants of \$8,500 a bed. Since that time, 9 such units have been built to the total bed capacity of 287, and additional units are now under construction. It is anticipated that by 1960 there will be 15 psychiatric units in operation in Ontario with 450 beds.

May I say that we feel that 500 beds in Ontario — that is, 500 beds in various psychiatric units within the province — should serve our population of 5 million. Experience has amply justified this attempt to give early treatment to suitable cases of mental illness with a minimum of dislocation from the community.

In 1956, there were 2,100 first admissions in aid to these units, which is equivalent of one-half of all first admissions to our Ontario hospitals during that year, and this is very important. Some 90 per cent. of those who were admitted to a psychiatric unit did not have to go out of their own communities. Only 10 per cent. went on to our Ontario hospitals.

I think that in itself tells the whole story of the virtues of having given this capital grant in order that patients be treated near their homes, in their own general hospitals, by their own doctors, with the aid of specialists who are called the psychiatrists.

We also established at the same time what is known as detention units. We need only one or two of those, strategically placed in various hospitals throughout this province, and the main reason for those is that if a doctor should have a disturbed patient, he can take him to a detention ward where he can give him sympathetic treatment until he is transferred to an Ontario hospital.

In the past, as hon. members know, these people were taken to the county jail, and to me, it is just as terrible to take a mentally-confused, agitated person to a jail as if we were to take a case of acute appendicitis to a jail.

Before too long, we will have this whole province served with new detention units, so that no one will have to go to a jail. We now have 21 of these units in the province.

We have also our forensic clinic at the Toronto Psychiatric Hospital, which was established last year to examine persons referred by the courts or law enforcement and correctional agencies. The study of sex offenders has been a particular concern of this branch, and it

has extended the admission policy to include sex deviates referred by medical agencies or self-referred.

I would like to deal a moment with research. The mental health division of the department administers a fund, now amounting to over \$250,000 annually, for research. This was started in 1949 and has expanded rapidly.

On October 1, 1956, a research consultant was appointed to the division with a view to advising on and co-ordinating the entire research programme.

I am going to mention only one voluntary organization which is carrying on a research programme in co-operation with our department and with the University of Toronto.

The work is being done in the Hospital for Sick Children.

I want to pay tribute at this time to this voluntary organization. They started this research in cerebral palsy two years ago. It has been carried out under Dr. Pritchard, who was one of the highly-professional research personnel of the University of Toronto.

Cerebral palsy has created a terrific problem in the past. A great number of people and doctors felt that nothing could be done. As a result they took on the key word of "prevention." I would like hon. members of this House to know this: that all the Ministers of Health of the 10 provinces, as well as the national Minister of Health, should really be called the Ministers of Public Health or Preventive Medicine.

May I say that every research project that is carried out, providing it is successful, provides the therapy which will be used tomorrow. The treatment they are carrying out today depends on the research which was done yesterday. This voluntary organization is called Rani Ghar Grotto and the prospect was sponsored and spearheaded by Alderman Harold Menzies, the University of Toronto and the Hospital for Sick Children.

I would like to give to hon. members some of the plans for the future.

The government has announced its intention of building additional hospitals for the mentally retarded. The government is keenly aware of the problems faced by the mentally retarded who remain in the community and are taken care of by their families.

In order to investigate, and to plan ways and means of assisting such individuals who are now in a number of private homes throughout this province, we have set up an inter-departmental committee comprising the following representatives: two from each of the following departments—education, welfare, reform institutions, and health.

We now come to one of our last ventures and that is in the care and treatment of psychotic, or mentally ill, children. Fortunately, we have not too many, but a good many psychiatrists feel this may be the beginning of schizophrenia and these used to remain in our hospitals for life—after they were 35, 40 or 45. We hope to purchase a hospital at Thistleton, which was the former convalescent hospital belonging to the Hospital for Sick Children. There we would be able to carry on care and treatment as a research programme, and this research programme would be closely associated with the University of Toronto for about 150 of these mentally ill children.

One bit of progress which we have made is what we have called our open ward policy, which we have in practically all of our 11 active hospitals. I am going to give hon. members the number of unlocked or open wards at the Ontario hospital at Hamilton.

There we have one building with 80 female patients and another with 80 male patients, and the superintendent told me only a couple of weeks ago that he thought they could take care of double that number in these unlocked wards. The hon. members of this House must remember these are hand-picked cases on whom treatment is continued but they are given the liberty of going in and out as they wish.

I think this is a great step in the field of mental health. It really means

about 20 per cent. of our patients in the hospitals could be in these unlocked wards. There have been practically no elopements; in fact, the only time we find any elopements has been in the spring of the year, and I do not think we need to go any further than that.

When we move into the community health field, we try to collaborate our mental health programme with the existing public health programme that is going on in that particular area. Our public health personnel have many opportunities to identify mental and emotional disorders and to foster good mental health practices.

Our mental health service estimate in the budget was increased this year to provide funds to extend the programme for community clinics. A plan has been drawn up to guide and develop these services. An attempt will be made to meet public demand for more extensive and more evenly distributed community services. This will require full co-operation and support at the local level.

It is estimated that 25 or 30 clinics are required to provide a reasonable spread of community and mental health services.

Recently we established a new policy in our Ontario hospitals which really amounts to this:

We realize our highly trained personnel, our highly trained psychiatrists, have spent years and years after they graduated in medicine — 5 years to become certified in psychiatry, then many years as a psychiatrist in an Ontario hospital—before they finally reach the top bracket of superintendent of that hospital. In the past they have been spending too much of their time in what may be called the non-therapeutic field; that is looking after the laundries, farms and so on. We turned over to the bursar, or we might call him the business administrator, all those duties which were not directly connected with the treatment of the patients. On the other hand, we left with the medical superintendent the full

charge of the hospital and of everything that goes towards the treatment of our patients.

I would like to announce that the hon. Prime Minister has been progressively working towards this objective for some time, and I am very happy to inform the House that, beginning April 1, 1957, we are establishing a 40-hour work week throughout all of our Ontario hospital services.

I would take a moment to tell about some extra spending which will be found in our estimates—some extra expenditures—and in order to save hon. members a little brain power in thinking up questions to ask me later, I will tell them that the department estimates, for the fiscal year 1957-1958, will amount to \$60,451, which is an increase of \$2,601,000.

MR. OLIVER: The hon. Minister means \$60 million.

HON. MR. PHILLIPS: Pardon me, I am not used to talking in such large figures: it is \$60,451,000, an increase of \$2,601,000 over last year, and that is excluding all supplementary grants.

The health programme in the province for the coming year includes many improvements and advancements, the opening of the new multi-million dollar cancer institute in Toronto, the opening of the new Ontario hospital in North Bay, the extension of community health services and the poliomyelitis vaccination programme which was started in 1955, followed by the inclusion of polio vaccine in the present list of toxides and other biologicals which are distributed without charge.

The polio vaccination programme should be sufficiently advanced by next June, whereby about 840,000 children between the ages of 6 months and 19 years of age will have had three doses, and 950,000 will have had at least two doses.

Besides the opening of the new North Bay hospital for the treatment of the

mentally ill, which will provide accommodation during the year for some 750 patients, a further extension of the Ontario hospital at Brockville will be completed, and this will accommodate 150 beds.

Construction is continuing at other hospitals. At Woodstock, 560 beds; Kingston, 500 beds — and that is in addition to the new hospital for psychotic children at Thistle town, which will provide beds for approximately 150.

The operation of the 17 mental hospitals, including the new one at North Bay in this coming fiscal year, will cost an estimated \$29,609,000.

The proposed development of community mental health services provides a realistic approach in the field of prevention. The sum requested, \$157,000, will provide the provincial share for the operation of those existing services and the establishment of 4 new services.

The provincial contribution to the Ontario cancer treatment and research foundation will amount to \$1,100,000.

Direct provincial capital contribution towards the building at North Bay now comes to more than \$8.5 million.

Reflection of the excellent work of The Ontario Department of Health's division of tuberculosis prevention and co-operating of our agencies was seen in the 1955 death rate, which hit an all-time low of 4.7 per 100,000 population. Preliminary investigations for last year, we have not the figures in as yet, lead us to feel that it will be even lower.

The division of laboratories — the central laboratory in Toronto, 13 regional and 5 subsidized laboratories — continues to expand this important work. In the last year, close to 2.25 million examinations were performed, 97 per cent. of these being done without charge.

Mr. Chairman, the last thing I have to say is that I do want to congratulate the hon. member for High Park (Mr. Cowling) and his committee for the great work they did in getting as much information as possible, and putting this in an air pollution report which was

tabled in the House. I cannot pay too high a tribute to the hon. chairman and his committee.

In order that we can start to implement the recommendations of this committee, the government is setting up a new unit for air pollution under the division of industrial hygiene, of which Dr. Cunningham is the director.

We are asking the secretary of that committee to spearhead and take charge of this new unit, because we are very much interested in the report, and are very concerned about air pollution. We feel if we are going to facilitate the recommendations this is the proper way to go about it.

Thank you very much.

MR. F. R. OLIVER (Leader of the Opposition): Before the hon. Minister comes down, I want to make just one general observation and ask the hon. Minister to make some remarks on it, if he will.

Hon. members will notice from the estimates, and from the general knowledge that we possess of these things, that the government has made, in the last number of years, substantial supplementary grants for the general hospitals of the province. I think the last one was \$8 million, and before that it was some \$6 million.

What I am suggesting to the hon. Minister is this, that he should put an amount — something close to what has been given this last number of years — in the estimates, and have the hon. members pass that in the ordinary way.

It has now become a payment from provincial funds that is expected by the hospitals of the province, and I doubt if any government could cut off that amount, say, next year — that supplementary amount.

If we are going to pay it, let us say we are going to pay it, and show it in the estimates that we are voting this afternoon.

It seems to me that the hospitals are expecting this each year, and that the

government is in a position to pay the hospitals a sizeable amount each year. Therefore the government should, I say, take the responsibility of striking a reasonable figure, and of increasing their grant to the hospital by that amount, rather than having us come back each year and vote a supplementary amount that the government has given after it finds it has the money.

The government is going to have the money; what is more, it will have to advance money to the hospitals which have been receiving it for a number of years; they are expecting it; and we are bound, I suggest, to continue to give it.

If we are going to continue to give it, let us do it in a businesslike way, and show it in the estimates.

HON. MR. FROST: I would say to the hon. Leader of the Opposition that I have had a good deal to do with this in the past, and I can say that the assistance given to hospitals has not been in the same pattern each year at all. It has been on different patterns, directed to different things, and the purpose has been, Mr. Chairman, to strengthen our hospital situation.

In no year has there been a guarantee that there would be a grant — a late grant — the following year; as a matter of fact, it has been on a different pattern each year.

I would point out to the hon. Leader of the Opposition that such grants are given to strengthen our hospital situation. Part of the amount was given to take care of the item of depreciation and obsolescence.

That is a point which, I think, is a weakness in the federal proposals. They have omitted depreciation. How a hospital can be operated without depreciation, I would never know. It seems to me that it is a logical cost of doing business.

We have endeavoured, and will endeavour, to get the federal government to take that point of view, and I think in the course of time they will

take, I think, the progressive point of view as time goes along, and will meet that situation and a number of other matters regarding hospitals.

But I can say that our grants do not follow the same pattern. All these special grants in the last 4 or 5 years have been on a different basis, for different purposes.

MR. T. D. THOMAS (Oshawa): I listened with great interest to the hon. Minister refer to the air pollution committee.

This committee was set up two years ago. Two years have elapsed and, according to the hon. Minister, it will be another year before anything really definite is done about that report.

HON. MR. FROST: What report?

MR. T. D. THOMAS: The air pollution report.

HON. MR. PHILLIPS: I said we hoped to have it under way by April 1st. I said we were going to facilitate it as much as possible.

MR. T. D. THOMAS: Only to the extent of setting it up in the department of hygiene.

HON. MR. PHILLIPS: The division of industrial hygiene. Let us put it this way, that—

MR. T. D. THOMAS: Yes, that is right; the hon. Minister is going to set it up there with Dr. Evis as secretary. Did the hon. Minister not say that?

HON. MR. PHILLIPS: No. I might say to the hon. member that what I said was that Dr. Fred Evis is the secretary of the air pollution committee. He has been with my department for some time. He has proven himself to be a man who, we feel, can take charge of a unit within the division of industrial hygiene and spearhead this programme, and do everything to facilitate and implement the

recommendations made by this committee.

MR. T. D. THOMAS: And that is as far as the hon. Minister is prepared to go at this time?

HON. MR. PHILLIPS: Well, how much more does the hon. member want?

MR. THOMAS: The recommendation of the committee is that 3 persons be appointed to a board—to a commission.

HON. MR. PHILLIPS: I would just ask the hon. member this:

If we did appoint a commission and it acted like the average, would it move faster than the way we are doing it? That is why we are doing it, in order to facilitate that whole programme.

MR. A. H. COWLING (High Park): If I could say a word on this, I would like to congratulate the hon. Minister of Health for taking action on our report, and I think that the hon. members of the committee will agree with me on that.

As the hon. member for Oshawa has said, the committee spent two years collecting a lot of information. We made certain recommendations to the House; and among those recommendations was one which suggested and recommended that a commission be set up.

The mere fact that the government has started to operate in the way they have done, and has taken steps in this session to implement our recommendations and some part of our report is, I think, very commendable.

Dr. Evis can start the ball rolling on air pollution and smoke control, and he, fundamentally, can get it moulded together with his experience and knowledge now, so that it could eventually lead to the setting up of a commission at a later date.

But I am inclined to agree with the hon. Minister that this is the first and

the fastest step that could be taken on this report right here today; and I think that the hon. member for Oshawa will agree if he thinks about it a little.

We know he is very fair in his thinking. I know that he did a most sincere job on our committee, Mr. Chairman. I think he will come around to agreeing that maybe this is the first step in implementing all the recommendations of our report.

THE CHAIRMAN: Vote 501.

MR. D. C. MacDONALD (York South): There is one item I want to raise. Quite frankly I do not know what estimate it comes under. Perhaps I can do it under this very general one.

I wonder if the hon. Minister of Health, or some other hon. Minister, might comment on the problem of supplying ambulance services, which is perplexing some communities. The hon. Minister is likely familiar with the kind of problem I mention.

The most recent case apparently occurred in the city of Sudbury, and there was a lengthy editorial in the *Sudbury Star* on March 15th that pointed out that the problem arose because of the fact of private ambulance services being supplied could not continue without a subsidy, and they discovered it was illegal for the local council to subsidize a private service.

Apparently some time last year, the proposition was made to the hon. Attorney-General (Mr. Roberts) that they might incorporate emergency ambulance services in the provincial police organization, and the hon. Attorney-General is quoted as saying perhaps some agency other than the provincial police should be set up, some completely new branch.

In other words, the hon. Attorney-General felt this was not the answer. The problem at the moment in Sudbury is just one case of many which have turned up across the province, where it is found to be illegal to subsidize the local ambulance, and apparently the only answer is to establish a completely

municipal ambulance service. I only raise the problem. I do not think I need to go into any more detail on it.

HON. MR. PHILLIPS: Mr. Chairman, might I say to the hon. member I think he should take this up with the hon. Minister of Municipal Affairs (Mr. Warrender). There is only one field where we supply ambulance service, and that is transportation of patients in the cancer field.

Personally, I have not had that problem brought to my attention before, although I think my department has, from one or two places. I would like very much if the hon. member would take it up with the Minister of Municipal Affairs who, I am sure, will give him not only the legality, but satisfaction on this question.

MR. MacDONALD: Could not the hon. Minister of Municipal Affairs comment on it now?

HON. MR. PHILLIPS: I have no objection.

MR. R. WHICHER (Bruce): Mr. Chairman, on item No. 7, "health service for Ontario civil service, \$61,000", I wonder if the hon. Minister would just explain that please?

HON. MR. PHILLIPS: Yes. The hon. member may know we have two health centres, the main one being on the fifth floor of the East Block building, where any person requiring first aid, whether it is medical or surgical, may go. Dr. Hill is in charge of the clinic.

Then we have also, on the third floor of this building, another first aid office with a trained nurse in charge, and they carry out any first aid that is necessary, and have the right to call on Dr. Hill, who has a number of other medical doctors with him who will give support. That is what this is doing.

Up until the present, we have been examining all staff before they were taken on permanently. As the hon.

Provincial Secretary (Mr. Dunbar) said the other day, we were doing away with that unless there was some special reason for their superior officer to ask them to take the medical examination. However, we have not yet turned down one civil servant when help was needed.

MR. MacDONALD: Mr. Chairman, let me come back to this, if I can enlist the attention of the hon. Minister of Municipal Affairs at the same time. It seems to me that surely this comes within The Department of Health, at least in part. For example, the quote from this Sudbury *Star* editorial:

Now that the question of legality has been brought out into the open, and the city cannot get any promise of assistance from The Ontario Department of Health, it is time for the mayor and board of control to review the ambulance service insofar as it is subsidized by Sudbury taxpayers,

and then they point out a little later The Health Act which makes it legal for the city to

provide, maintain or hire an ambulance. Where in the legislation is the provision to permit a municipality to pay a subsidy to a private firm?

This is the crux of the question.

Is it in The Health Act that it is forbidden to subsidize a local ambulance service, or is it over in The Department of Municipal Affairs? Can we not clear this up?

HON. MR. PHILLIPS: Yes. Mr. Chairman, you will find in The Municipal Act that a municipality, a municipal council, can provide ambulance service if it so wishes, and I can not see any difference between supplying a complete service—that is, owning the ambulance and everything—and subsidizing free enterprise if they so wish. But this is under the local authorities.

MR. H. C. NIXON (Brant): Mr. Chairman, in regard to item No. 9, "hospitalization for indigent immigrants

in accordance with federal-provincial agreement", what is that agreement and how long does it cover an indigent immigrant, for how many years?

HON. MR. PHILLIPS: I would like to say first to the hon. member there is nothing in this book regarding the emergency situation that has happened regarding the Hungarians. This refers to what he might call the usual immigrant.

If an immigrant enters this country and becomes an indigent, and has to be admitted to a hospital, the federal government pays 50 per cent. of hospitalization for the first year and the province matches that. After the first year, if he continues in a mental hospital or a tubercular sanatorium, then the province pays 100 per cent.

If it is a person who is suffering from some physical condition and is admitted into a general hospital, then after the first year the municipality pays their regular statutory grants and the province pays toward the hospitals.

We have two rates, one is on every public ward bed every day of the year, and the other is on indigent patient days which runs from \$1.46 to \$1.90, depending on whether it is an A, B or C hospital. Does that answer the question?

MR. NIXON: Yes.

MR. WHICHER: Mr. Chairman, on item No. 36 of 501, "Grant to Ontario cancer treatment and research foundation, \$1.1 million", I am just wondering on what these grants are based.

My question arises from the observations which I have made. I remember two or three years ago being at a banquet when a very prominent doctor spoke to some business men, and what he was really doing was begging for funds to assist in research as far as heart is concerned.

He started off his speech by saying that a certain percentage of the men facing him there in that banquet

chamber were going to die from heart disease, and then he went on to say how they were limited with funds. There were people who wished to do research work who just did not have the funds to carry on.

I feel in this country of ours, whether these grants are given by the provincial government or the federal government, that all of these people who are skilled in research for serious diseases such as cancer, tuberculosis and heart disease, or whatever it might be, should under no occasion be held up because of lack of funds. While I appreciate very much the provincial grants, and I believe, also the federal grants are most generous—

HON. MR. PHILLIPS: Pardon?

MR. WHICHER: I say the provincial and federal grants are most generous for such things as cancer treatment and research foundation. At the same time, periodically through the mails we have appeals for money so that research can be carried on for these terrible diseases.

My question is this: On what does the department base that grant? I mean, we see there \$1.1 million. Why should it not be \$2 million or why should it not be \$500,000?

HON. MR. FROST: All scientifically figured out.

HON. MR. PHILLIPS: Mr. Chairman, in replying to the hon. member, may I say that this is controlled entirely by our cancer foundation. Whenever they have made a requisition to the government, at no time have they been refused any money for research or for any other part of the programme which they are carrying out to aid in the field of cancer treatment and research.

If I were to break it down in the estimate, our general programme for this coming year is \$1.2 million; then we hope to get under way some part of

the maintenance of our cancer institute here in Toronto, in which we have placed \$1 million, which makes a total of \$2,220,000, of which we hope to recover 50 per cent. from the federal government.

May I say regarding the heart foundation, the last two or three years we have been giving \$100,000, and the federal government has been giving a like amount. We have also given another \$12,000 in order to pay up all their administration costs.

They are now starting research programmes in cardiovascular fields in all our hospitals, but remember, it takes a year or two to get those research projects going, and the only one of any magnitude is the one that is carried on under the University of Toronto Hospital for Sick Children, but within a year or two the other universities, I hope, will be in the picture in some field of research, or in the whole cardiovascular field.

MR. WHICHER: That figure of \$1.1 million, was that the exact amount that they asked for?

HON. MR. PHILLIPS: That is correct.

MR. A. H. COWLING (High Park): Mr. Chairman, on item No. 12, federal health grants operating fund \$500,000 — I would like to ask the hon. Minister a question which has to do with the air pollution programme again.

When we were in Ottawa, the committee met with hon. Paul Martin, federal Minister of National Health and Welfare. We were discussing the problem of air pollution, and asked whether we could anticipate or expect any federal financial assistance in a programme in Ontario, and we referred to the health grants.

Mr. Martin seemed to indicate to the committee, and I am sure the other hon. members will agree with me, that the impression was that they would give consideration to any request for finan-

cial assistance on an air pollution programme. He gave us to understand, in no uncertain terms, they were very much interested in the whole matter.

May I ask the hon. Minister of Health for his opinion as to whether we could qualify for a portion of this \$500,000, given by the federal government?

HON. MR. PHILLIPS: Mr. Chairman, I am afraid it is an absolute impossibility for me to answer the hon. member at this time. A project has to be drawn up and submitted to Ottawa, and if it comes within their legislation and regulations they will likely give it consideration.

MR. T. D. THOMAS (Oshawa): Mr. Chairman, I would like to say something further to that question. I suppose this \$500,000 would be given for a specific purpose; but we did get the assurance from hon. Mr. Martin that the federal government would entertain any requests for assistance for air pollution purposes if made by the province of Ontario.

I think that is the point which the hon. member for High Park was getting across:

If a request was made to the federal government for some assistance for air pollution, hon. Mr. Martin said they would consider that request.

HON. MR. PHILLIPS: I would like to assure the hon. member of this: If there is any money at Ottawa, we will certainly make application for it immediately.

MR. T. D. THOMAS: He did not say he would give it; he said he would consider it.

MR. OLIVER: That is as good as given.

HON. MR. FROST: Mr. Chairman, in relation to the ambulance matter, I would like to ask the hon. member for

York South if he would give me the particular newspaper clipping and information relative to that.

MR. MacDONALD: I can give it to you in a moment—we are dealing with this in bits and pieces.

But now that the hon. Minister has raised it, I would like to say that I have learned from the hon. member for Oshawa that they took the matter in hand and are coping with it in what looks like a happy solution. They started out subsidizing a private ambulance service; for a while it was satisfactory, then when the request came for a higher subsidy, the city council balked and decided to establish their own ambulance service.

I noticed the editorial said it was on a very profitable basis.

This problem was solved at a municipal level, through co-ordination with the fire department. They acquired a couple of ambulances and it is co-ordinated with the fire service and, presumably, operated by them and only on rare occasions is there any conflict. This cuts down the basic costs and it makes it possible to operate a service.

It would seem to me if Sudbury and other places were to cope with this problem they might find the solution in that approach.

MR. G. C. WARDROPE (Port Arthur): Mr. Chairman, I would like to say that in Port Arthur we have two ambulances which are run by the fire department, and have been for years. It is working out very well. I do not say that it has paid, but there has been no trouble and they give good service, and at times even go outside of the city boundaries. It is really working very well.

MR. H. WORTON (Wellington South): Mr. Chairman, may I ask the hon. Minister to give a brief report on item No. 27, alcoholism research foundation.

HON. MR. PHILLIPS: May I say this to the hon. member, we tabled the report which gives a full account of the research work being carried out there.

Regarding the social study work, there are 13 beds which we have at 11 Bedford Road, and then there is the one where alcoholics anonymous, along with our social workers, go where their main work is getting these people into our hospitals and in the rehabilitation programme which follows.

That report is not too lengthy, and I think the hon. member could get an answer there to any question he desires.

MR. WORTON: What I am getting at, last year I was requested to enquire about getting a patient into one of these institutions. Is it just the one that is operated at Mimico, or must one be in a reform institution to get this treatment, or will they take private individuals?

I was not here when that report was tabled; I was ill—not with alcohol, incidentally—and I want to know if a case of alcoholism comes along, whether he could be put into this institution to be cured? Who takes care of the cost?

HON. MR. PHILLIPS: That has to be decided mainly on the person's own decision. We have set up two beds in 3 of our main university hospitals; Western, General and St. Michael's. If a patient is acutely ill, he can be taken there for the first few days, and then he may be transferred over to our hospital at Bedford Road.

We have a staff of doctors who are most sympathetic, and they ask for only one requirement from the patient, and that is that the patient has a true and sincere desire to give up alcohol.

MR. WORTON: If the hon. Minister had that, he could do away with the rest.

HON. MR. PHILLIPS: It has been recognized that people suffering from chronic alcoholism need help. It is not

enough that they say, "I am going to quit," because they just cannot do it. Patients who require treatment for a year or two will be accepted at any of our Ontario hospitals, as voluntary patients without their having to be admitted by two doctors. Some are admitted on a court order. Those people in the chronic stage, we feel, should have long treatment.

MR. WORTON: Mr. Chairman, I would like to refer to a letter I have from a certain hon. Minister regarding the increased number of alcoholics.

Does the hon. Minister feel that the government is putting sufficient effort into this method of curing alcoholism with these people? Does the hon. Minister feel he could do more with an increased grant, considering the increase in the number of alcoholics?

HON. MR. PHILLIPS: Let me say this to the hon. member.

We started this policy and programme in 1951, with a budget of something like \$58,000; it was under \$60,000. It has increased every year, and the hon. member will notice that last year we had \$238,000, and this has jumped to \$272,000.

Our alcoholic foundation is similar to that of our cancer foundation. This is the amount that is asked for, for the coming year, in order to expand their services, and they were not cut down one cent.

MR. COWLING: Mr. Chairman, on vote 501, the other item I had in mind was No. 13, the Connaught Laboratories where they make the Salk vaccine.

I heard a news report this morning that, due to lack of youngsters, it was found necessary to close several of the processing places we have opened here to take care of pre-school youngsters whose parents would like them to be inoculated with Salk vaccine.

It seems to me there is quite a problem here. I think the parents gen-

erally realize the need and the great advantage that will accumulate to their children from the vaccine shots. I know my boy has had them, as I suppose have the youngsters of many other hon. members in the House.

But I wonder if the urgency of the situation which could develop has been brought to their attention, were the centres to close and not be made available to the citizens.

HON. MR. PHILLIPS: Mr. Chairman, the vote for Salk vaccine comes under vote 512. But I would like to answer the hon. member in this way:

When we started this programme in 1955, 92 per cent. of the parents across Ontario signed certificates. I believe last year there were 96 per cent. who signed certificates.

I do know that there may have been some lack of interest or passiveness, or something, that will be brought to their attention and it will have to be done chiefly through the local board of health which is under Dr. Pequegnat.

In the particular case which the hon. member for High Park mentioned, it was simply that the parents did not wish to bring their children. We will certainly try and have some publicity on the urgency of parents bringing their children to these vaccine centres, because in the past parents have been very co-operative.

Votes 502 to 504 inclusive agreed to.

On vote 505:

MR. T. D. THOMAS (Oshawa): Mr. Chairman, on vote 505, I wonder if the hon. Minister would tell us how the municipality or board of education can qualify for a grant for dental treatment of children in the school? On what basis is the grant paid?

HON. MR. PHILLIPS: Mr. Chairman, may I say that we pay a token grant not exceeding \$2,000 to any municipality with a population of over

5,000 people. I would just like to read 3 or 4 paragraphs which I think will explain the answer to the question. School dental service grants: a grant is available to local boards of health to encourage the establishment of school dental services. To be eligible for the grant the service should be under the direction of the local board of health and an agreement between the board and the school board or boards in respect of the services is necessary. Arrangements with the dentist or dentists to have the work done, the remuneration to be paid, etc., are matters of local decision. When they are completed the secretary of the local board of health sends in an application for the grant giving the details of the proposed service. When departmental approval has been given the service may be started. Each 3 months the statement of cost should be submitted on which the grant is paid for all municipalities of less than 5,000 population on which the grant is 30 per cent.; and where the population is over 5,000 the grant is 20 per cent. There is a maximum, as I said before, of a \$2,000 grant per annum for any one municipality. In some of the large centres a dental clinic is equipped in a school or schools and additional assistance of 10 per cent. for the cost of the equipment may be included in the amount per grant for this type of service. However, it is practical only for a large number of children with easy access to these schools. The amount paid in 1956 for dental grants was approximately \$35,000.

MR. GISBORN: On vote 505, is it correct that in the past couple of months The Department of Health has agreed to automatically pick up the cost of dental treatment to children of welfare cases?

HON. MR. PHILLIPS: As a matter of fact, it is so new I have not heard of it, but that certainly must be under the local authority of the municipality itself.

MR. GISBORN: I am just asking the question, I have not got the clipping with me but I just wondered because there is only a \$5,100 increase in the estimates

and it is taken up by salaries and travelling expenses, and I was wondering if this was coming into effect or not. Did not the hon. Minister of Welfare mention something along those lines?

HON. L. P. CECILE (Minister of Public Welfare): There are some things in this which have nothing to do with The Department of Health, that I know of right now; but I think I will have something to say on that when the estimates come along.

MR. MacDONALD: I wonder if we might revert for a moment to vote 504?

Some years ago, the government amended one of the statutes authorizing the payment of \$5.00 to a doctor for one pre-natal examination — expectant mothers' examination. What has been the experience with that, and is it still in operation? How much was dispensed during the year?

HON. MR. PHILLIPS: Mr. Chairman, I think I ought to answer the question of the hon. member as a general practitioner, because I was one for many years and I collected \$5.00. May I say this, that it did not help in any way to bring more mothers to the doctors for pre-natal care. The doctors and nurses and the community welfare agencies are carrying on an educational programme at all times for mothers to go to doctors very early in pregnancy.

We discontinued it last year, and we did not have one person, or one doctor, write in to us and say that—

MR. MacDONALD: I understand the doctors considered it a nuisance—the \$5.00 arrangement.

HON. MR. PHILLIPS: I think that depends entirely where a person is living and how much he is earning.

MR. MacDONALD: If they did not consider it a nuisance, I would be curious to know how many of the said examinations were paid for by the government

during the 10 years it was in operation. I understand it was very little.

HON. MR. FROST: May I say that, perhaps, the hon. member for York South is not familiar with the genesis of this provision. It came about in the war days when there was great prevalence of venereal disease arising from war conditions. At that time, it was argued by some that there should be compulsory examinations prior to marriage. We debated that on a number of occasions here, and I think that the general consensus of opinion—in fact, I know that the general consensus of opinion—was opposed to that course.

As a result, the pre-natal examination was brought into being for the purpose of ascertaining if there was venereal disease involved in the case, and in which case, at the time of the birth, steps would be taken to meet that situation.

As the hon. member knows, the incidence of venereal disease now in the province has disappeared to a very remarkable extent. It is not necessary to describe the causes here, but, of course, one of them is the new drugs which have been developed in the meantime; and, therefore, the cause, or the requirement for this grant, really,—or for that plan—disappeared. The purposes of the original plan have vanished with the advance of science, and with the clearing up of that particular disease which had very serious possibilities 10 or 12 years ago. That was the situation.

MR. M. B. DYMOND (Ontario): Can the hon. Minister give hon. members any idea what the department is doing on the Rh estimation?

HON. MR. PHILLIPS: Would the hon. member repeat the question?

MR. DYMOND: The Rh estimation—what is the department now doing on blood specimens sent in on pre-natals?

HON. MR. PHILLIPS: It is not a very large amount. We have had it in now for a year, and it costs approximately \$25,000 per year.

MR. T. D. THOMAS: While on this infant care, Mr. Chairman, I have here a copy of the Public Accounts for 1956, and there is "payments to hospitals re infant care," to a total of \$12,963.20. Some of them are exceptionally low. I see one, Ajax and Pickering, \$4.80; and another one, Niagara Cottage, \$2.40; another, St. Thomas Memorial, \$2.00.

HON. MR. PHILLIPS: What was the two-dollar one?

MR. T. D. THOMAS: St. Thomas Memorial. I was wondering if the hon. Minister could give an explanation of these low amounts re infant care?

HON. MR. PHILLIPS: Two bucks!

MR. T. D. THOMAS: To a total of \$12,963.

HON. MR. PHILLIPS: I cannot answer that question about the two dollars. In fact, we do not deal in that kind of money over here. But I remember we put \$100,000 last year in the estimates in order that we could create better nurseries and care of babies within those nurseries by paying for bursaries to personnel, who would come from a hospital and return and be in charge of the nursery. We have trained a great number of them in the last year, and have bought certain equipment such as resuscitators, incubators, etc., in order to save the lives of these premature babies, which is the main cause of our infant mortality. But I am afraid I will have to answer the two-dollar question another day.

MR. MacDONALD: This is too big!

HON. MR. PHILLIPS: As a matter of fact, I wish I had paid it myself.

MR. G. GORDON (Brantford): Mr. Chairman, before we pass vote 505, I would like to ask the hon. Minister if he is going to give any consideration to enacting permissive legislation that will

allow, for instance, metropolitan Toronto to fluoridate its water supply?

HON. MR. PHILLIPS: Mr. Chairman, what I am going to say is this: that we have given this a great deal of consideration; we have studied it from every angle. What I would like to do at this time is to allow the hon. members of this House to make their comments on fluoridation, pro and con.

MR. GORDON: I was speaking with the secretary of the Royal College of Dental Surgeons, and they are concerned about this; and I was also speaking with one of the hon. members of this Legislature. He said, "I am opposed to it." I said, "Well, why are you opposed to it?" He said, "Oh, I do not have to give a reason." I said, "Give me one reason why you are opposed to it." He said, "I have not got a reason, but I am opposed to it anyway."

HON. MR. FROST: Who said that?

MR. M. B. DYMOND (Ontario): This is a matter which is causing a great deal of furor and fury throughout the length and breadth of this continent, not only this province, but we will concern ourselves so far as we can with the province of Ontario. I do not know of any question relating to health that has led to so much ill feeling, even, in the ranks of my own profession as this question of fluoridation; nor do I know of any question which has been surrounded by so much misinformation and misleading information on this question.

Only a few days ago, I received a letter from someone quite highly placed, expressing surprise that I should have expressed myself as opposed to fluoridation. I would like it to go on record that I am not opposed to fluoridation. I am entirely in agreement with the view that fluoridated water has been proven in large measure as being a worthwhile measure for the control of dental caries; but before I go any further, I would like to state the source from which my opposition stems, and that is that I have

no right nor any authority to say to the mass of my fellow men that "you must take this medicine because I and a great many others say it is good for you." And I say "medicine" with good foundation. In fact, I have no less an authority than Dr. Ray Farquharson, who is a very outstanding medical authority, not only in Ontario, but throughout the entire world. He has stated unequivocally that fluoride is medication.

There have been many reports brought forward in opposition to the question. I believe the United States set up a Congressional committee some years ago and they found opposition to the measure. I do not think their opposition stemmed from the fact that any one of them, or any large majority of them, agreed that fluoridation was a dangerous measure; but I think, perhaps, their opposition stemmed from the same reason, or, perhaps, I should say, my opposition stems from the same reason as theirs, that they considered they were really not in a position of authority to say to the mass of their fellow men, "You have to take this medicine, because it is good for you."

There is not a patient going into a doctor's office—or, let me turn it around—there is not a doctor who dares say to a patient, "You have to take this." Patients do not pay us for telling them that. When they come to us, it is for advice, and if we advise and prescribe medicine for them and they do not want to take it, then that is their funeral.

I expected a comment there, Mr. Chairman, but I was disappointed.

I said something about misinformation. It is a very peculiar thing to me that so many of those who have stated opposition for any reason whatever, have been termed cranks and crackpots. It is a subject which has been messed up, if I may lapse into the vernacular, by those whose thinking is not very clear or straight.

Certainly fluoride is rat poison, but not in the quantities that have been recommended as being used for the combating of dental caries in the drinking

water supply. Arsenic and strychnine are both definitely poisons, but I do not suppose there is a doctor in Canada, or throughout the world, who sometime or other has not prescribed arsenic or strychnine in therapeutic doses.

I would just like to reiterate, that the medical men whom I know who have expressed opposition to this question, and the dentists whom I know, and there are dentists who have expressed opposition to this question, have not done so, on the basis or on the grounds that fluoridation as recommended is dangerous or wrong or in any way, shape or form likely to cause harm to those drinking the water so treated. Our opposition stems from the fact that we sincerely and seriously question our right to say to our fellow men, "This medicine is good for you, you have got to take it."

We are opening up a tremendous field if we do that. If one were to let one's imagination run rampant, heaven only knows where it might stop. How do we know that in 5 or 10 years some other group will come along and say, well, let me say iron for instance, a great many of our people who are anaemic, I believe far more people suffer from anaemia than they do from dental caries, well, are we going to say to those people or to all of the people that because 60 per cent. of the public are suffering from anaemia that we have to put iron in the water?

That may be a far-fetched illustration, but I use it only as an illustration of the possibilities that may be opened up if we give in to this at the present time. I do not believe it is the duty of this House or any other such House to say to the public, "You are going to drink fluoridated water."

MR. GROSSMAN: Mr. Chairman, there are just one or two things which the hon. member for Ontario stated in respect of the opposition to fluoridation, which I would like to correct. In the first instance, the Delaney report of which he speaks, that is the congressional committee which investigated this matter in 1952, opposed it not only on ethical grounds, but also on medical grounds.

I have the report before me and I would be pleased to let the hon. member see it any time he wishes.

I would also state that I have evidence, which I would let the hon. member see, of eminent doctors and dental men who have opposed it, at least on medical grounds as well as on ethical grounds.

On vote 506:

MR. WHICHER: On the nursing branch, I am sure this situation has been corrected, but my question stems from an editorial on February 3rd, 1956, of the *Toronto Daily Star*, which stated as follows in regard to nurses:

At the Victoria Hospital in London 175 beds are not in use due to the lack of nurses, although there are 200 patients on the waiting list.

I would like the hon. Minister to tell us whether there is still a shortage of nurses in the province of Ontario, as there certainly was a year or so ago, and furthermore, what action he intends to take to get more nurses in the province which we are certainly going to need on the 1st of January, 1959, when the hospitalization scheme first comes into effect.

I am wondering if the hon. Minister in trying to get more nurses in the province would give any consideration to the possibility of granting these professional girls a little higher salary. I believe they are one of the lowest paid groups in the province, and I am wondering whether in the grants that are given to the various hospitals of the province if perhaps some system could not be devised whereby a certain percentage of that grant could be earmarked for nurses' salaries as we do in some respect for education.

MR. KERR: Baloney. The hon. member cannot make a remark along that line.

MR. WHICHER: When the hon. member mentions the word "baloney", all I have to do is look around at him. I am giving this very sincerely and I am only asking the hon. Minister for

some remarks on what I regard a serious problem. I feel these girls are grossly underpaid, and if the standard of salary is increased, then we would have more who would be willing to go into the profession.

HON. MR. PHILLIPS: Mr. Chairman, would the hon. member allow me to ask him a question. Is he referring to more money after they graduate or during their training?

MR. WHICHER: I believe during their training the hon. Minister is already looking after that matter. However, I think they should have more money after they graduate.

HON. MR. PHILLIPS: It depends on where the individual lives. In Toronto it runs around \$12 a day, and in Owen Sound it runs at \$10. It depends entirely on the community. In answer to the hon. member's question, I would like to say this: 5 or 6 years ago we had about a 38 per cent. shortage of nurses, today we still have about 28 per cent. shortage. Remember, we are adding new beds all over.

If we are to look at our statistics, we find that the number of nurses that graduated in 1951 was 1500; in 1952, 1600; in 1953, 1700. It has just gone up by a hundred a year until the last graduating class we had 1923 graduates. At the end of the war or shortly after, I remember there were only about 900 nurses that graduated in Ontario. What will be of great assistance to our hospitals is this \$300 a year which we are contributing to them for a student nurse. I would like to remind the hon. members of this House that 3 years ago Alberta gave \$300 for each graduate nurse. That is \$100 a year. Last year Manitoba followed suit; this year Ontario, which I think the hon. members will agree is most generous with all the professions, especially our registered nurses, made it \$300 per student nurse per year, which amounts to at least \$900, and if you are to add to that 15 per cent., because there is always 15 per cent. or thereabouts

that drop out from when they are admitted to the hospital until they graduate, that is an average for many years to come, we would be paying \$1,035 for the three years. I do not think it is within our jurisdiction what the nurses are charging. They have not asked for any more, but the average nurse on staff salary runs between \$2,850 and \$3,500.

Another way we are assisting the nursing situation is by way of item 4 of vote 506, \$140,000 for the nursing assistants course. I would like to say that this programme had its inception in 1949 when they graduated 125 students. Last year 284 graduated. The total number since its inception has been 1,819 of these nursing assistants, and they are doing a wonderful job in our hospitals today in aiding with the shortage of nurses.

MR. GISBORN (Wentworth East): Mr. Chairman, on this question of nurses, I would agree with what has been said by the hon. member for Bruce and the hon. Minister, but I would like to make a point that I believe where the emphasis should be put in regard to salaries and encouragement is on the nurses in training. I think they are the ones who are causing the shortage because of the hardship they have to put up with in going through the training period.

There is a little bit of a problem with the graduate nurses. Once they graduate they are in a position to sort of get together, organize, if you like, and have some say about what their working conditions and their wages are going to be. As the hon. Minister has mentioned some of them are getting around \$12 a day. I am not going to say whether, in my opinion, it is enough or not enough. However, if it creates a problem for the hospitals because of their flexibility—some of them want part-time work and some do not want to work a night shift and that sort of thing—I think if we put the emphasis on giving nurses in training a break in any possible way we will find that when they get to the graduate stage they will have a little more encouragement to assist in that field.

HON. MR. PHILLIPS: These nurses are receiving an education, they get their board and room and so on. It is the hospital itself that needs the money to provide the facilities to train that nurse. If we were to subsidize, in any way, these nurses more than a token amount during their years of training—I would have liked to vote for your recommendation because my son has just graduated in medicine and it has been a great burden to me. Perhaps if he had been getting so much a year, it would have been easier. What about our teachers in our teachers' colleges?

MR. WHICHER: They are there only 6 weeks.

HON. MR. PHILLIPS: 6 weeks in teachers' colleges, that is nonsense, that is foolish.

MR. MacDONALD: That is what we think but we have not been able to prove it to the government.

HON. MR. PHILLIPS: The medical course is 11 years. I do not think it would be wise or feasible to pay nurses in training more than a token payment to look after their expenses because they are being educated into one of the highest professions we have in the land. If we pay them for that, why should we not pay for all other professions because no one can tell me that the girls that go in for nursing are not of the same calibre and come from exactly the same families as those who go through for doctors, lawyers and teachers, etc.

MR. WHICHER: May I ask the hon. Minister a question? Are there any beds empty now, in the province of Ontario, due to a shortage of nurses?

HON. MR. PHILLIPS: I do not think there is a single one. The hon. members of this House should remember this: nurses are human and at various seasons they do take a holiday and then there might be a shortage for that period, but that is all.

MR. T. D. THOMAS: Could the hon. Minister tell me the number of beds per thousand population in Ontario, if he has that information available, and if it is not available now, could he get it for me later?

HON. MR. PHILLIPS: It is just under 5; approximately 4.8 for every 1000 people.

Vote 506 agreed to.

Votes 507 and 508 agreed to.

On vote 509:

MR. GISBORN: On vote 509, Mr. Chairman, I see the estimates this year for tuberculosis prevention have decreased to \$859,000.

HON. MR. PHILLIPS: Would you give me the number please?

MR. GISBORN: Vote 509. The estimates have decreased about \$859,000. About \$10,000 of that in salaries, about \$44,000 decrease in the prevention extension. Does the decrease in prevention extension coincide with the increase in salaries? The question I want to ask, are we doing a job on the tuberculosis field? Are we combatting the disease; has there been any such experience in the past few years?

Does the increase in salary and the decrease in the extension grants indicate anything? I think there is a good job being done and I know in Hamilton they are decreasing their experience but is that the picture across the province?

HON. MR. PHILLIPS: There are 3 or 4 matters to be taken into consideration here. One is antibiotics. Patients are not in our tuberculosis sanatoria as long as they were before. Yesterday we were doing a great deal of pneumothorax pneumoperitoneum on which we spent as high as \$63,000. There is very little of that being done today for the simple reason it does not need to be carried out due to fact that the antibiotics do the work better. That is

where we are saving the money; we do not need to perform as many pneumothorax and pneumoperitoneum as in the past.

MR. MacDONALD: How many beds are there now vacant in our sanatoria. I understand we have reached a stage in combating this disease to a point where we have vacancies. Is it possible to estimate the number?

HON. MR. PHILLIPS: It is approximately 400; 10 per cent. of the total. There are just a little over 4,000 beds in all our sanatoria.

MR. JACKSON: Mr. Chairman, I wonder if the hon. Minister would answer a question for me. With this decrease in our tuberculosis rate, is the hon. Minister prepared to state to the House at this time any plans he might have for the future of these sanatoria in the province of Ontario? What are we going to do with them? Are we just going to let them slowly decline? Would the hon. Minister comment on that?

HON. MR. PHILLIPS: We have already made a full survey of all our sanatoria. We are preparing the policy now in order to utilize those vacant beds provided they lend themselves to proper rehabilitation; whether to be used for children, active or chronic cases. That has certainly received a lot of consideration lately.

MR. WORTON (Wellington South): Mr. Chairman, may I ask the hon. Minister this: there has always been some doubt in the minds of the people as to where the responsibility lies for a person admitted into a mental or tuberculosis hospital. Are any of those patients charged for their stay in either mental or tuberculosis institutions?

HON. MR. PHILLIPS: Does the hon. member mean are they required to pay a certain sum?

MR. WORTON: If they are in a position to pay, are they billed?

HON. MR. FROST: Is the hon. member talking about tuberculosis hospitals?

MR. WORTON: Yes.

HON. MR. FROST: We pay.

HON. MR. PHILLIPS: They are not required to pay. If they have insurance, Blue Cross or whatever it is, we accept that. They are not billed like a general hospital has to bill them.

MR. WORTON: Does that apply to a mental institution?

HON. MR. PHILLIPS: Last year we collected \$180,000 and the total cost of our sanatoria to us was \$7 million; all we collected was less than \$200,000.

MR. WORTON: What about mental institutions?

HON. MR. PHILLIPS: We collected about 10 per cent. Last year our total cost of operating our Ontario hospitals was \$29 million and we collected \$3½ million so it is between 9 and 10 per cent.

I would like to say for the benefit of hon. members of this House that we charge a minimum of \$1.50 a week up to \$10.50 a week maximum. I am saying a week, not a day. If you go over to our sister state to the south, their minimum is \$18.50 a week and their maximum is \$185 a week. I think I would still like to live in Ontario.

MR. WORTON: Mr. Chairman, the other thing I wanted to ask is, about a war veteran who is put into a tuberculosis sanatorium or a mental institution. The federal government is billed for that, is that right?

HON. MR. PHILLIPS: Yes.

MR. T. D. THOMAS (Oshawa): Mr. Chairman, we learned this afternoon that the new commission for the pollu-

tion is to be placed in the department of hygiene and I just looked up the figures in last year's accounts for that department, the industrial hygiene programme, and for last year it was \$370,600 and this year it is \$411,000, an increase of \$38,000 to take care of the new branch of air pollution.

HON. MR. PHILLIPS: No. There is not one dollar in there for air pollution. Since the blue book was printed we have brought in our policy, although it had to be paid out of funds of the government whether it is a commission or not. The increase is an increase in salaries. We have one engineer, one sanitary inspector, one stenographer, one physician and one technician and that is the increase in our staff. This has nothing to do with the air pollution.

MR. T. D. THOMAS: I take it that is a normal increase?

HON. MR. PHILLIPS: That is right.

MR. T. D. THOMAS: There is nothing in this estimate for air pollution?

HON. MR. PHILLIPS: Not one dollar.

Votes 510 to 512 inclusive agreed to.

On vote 513:

MR. GISBORN: Mr. Chairman, I would like to clear up a couple of things here. The hon. Minister has mentioned a 40-hour week was going into effect in all the mental institutions in the near future—

HON. MR. PHILLIPS: That is right.

MR. GISBORN: That is for the staff of the mental institutions?

HON. MR. PHILLIPS: There are 6,000 of our 7,200 permanent employees who belong to that staff.

MR. GISBORN: The point I want to make is, we have in a lot of industries and institutions what they call a 40-hour week, but in a case that I have in mind it is the kitchen help in one of our hospitals in Hamilton where they are supposed to have a certain number of hours a week, but what they do is work anywhere up to 70 hours a week in consecutive time and then they are given 3 or 4 days off in a row to make up an average of 40 hours a week. Now, what does the hon. Minister mean by a 40-hour week?

HON. MR. PHILLIPS: I mean five days a week, eight hours a day.

MR. GISBORN: I have another question, Mr. Chairman, and I understand this may have to be referred to the department of the hon. Attorney-General, I am not sure, but it has to do with the new hospital plan where the government is taking over the total cost of the mental institutions and I believe I am right, that in the past if a person was mentally ill and was committed, then his assets or all monies were frozen by trusteeship. Is it a fact that the government is going to take over the full cost or going to have anything to do with that?

HON. MR. FROST: No, I would say that the matter of the public trustee acting in the matter has nothing whatever to do with the payments to Ontario hospitals. It is entirely a matter of protecting that individual. The situation is this:

In very many cases the person is not mentally capable and the purpose of the intervention of the public trustee is to protect his assets and administer them until such time as he can take them over himself. It has nothing to do whatever with any payment back.

MR. GISBORN: Mr. Chairman, may I ask this: Is it federal statute or federal law, or provincial law regarding trusteeship? If it is provincial, I think some thought should be given to it because I have had cases brought to my attention where the family of the inmate

has suffered undue hardship from the fact that all assets were frozen and some of these people ended up eventually on city relief or welfare.

There should be some consideration given to try to make it some way that they could at least be given a subsistence while the breadwinner is confined, because it has caused a lot of hardship where it is not necessary.

HON. MR. PHILLIPS: Mr. Chairman, I realize what the hon. member has said is certainly in part true. The public trustee comes under the hon. Attorney-General's branch and the legislation was first set up in order to protect the patient's assets.

I know certain cases, a small percentage of cases, have caused a burden on the relatives, related to the fact that the public trustee holds the money until 6 months after discharge, but in the main there may be certain changes we could make. I will say this, we will look into it, but in the main it does protect the patient to a large degree and that is a great virtue.

MR. GISBORN: The one significant point is, the institution in the finalization of the patient being discharged has a lien against some of those assets and they take it out. I think consideration should be given to the family of the inmate having a certain lien on it for subsistence allowance also.

MR. MYERS (Waterloo South): Mr. Chairman, for the information of the hon. member, there is now provision for the appointment of a committee by the court, and the court appoints a committee if the public trustee is not the guardian of the patient's assets, so there is always the alternative, if a person has to be admitted to the Ontario hospital, you can appoint a committee and that gives the committee charge of the assets.

MR. GISBORN: Yes, but that costs money.

MR. MYERS: How can it be done otherwise and protect the assets?

MR. WARDROPE (Port Arthur): Mr. Chairman, I want to compliment the hon. Minister of Health on the excellent job he is doing in this province. I also want to compliment his very efficient staff, not only in the buildings in Toronto but in my constituency and many of the other constituencies that I am familiar with.

While on this subject of mental health I just want to say that we have a beautiful Ontario hospital in the city of Port Arthur that serves northwestern Ontario and it is a great humanitarian movement, one of the greatest that has ever been in any part of this Dominion. I have visited it many times, not as a patient, of course, and I can see the comfort it brings to the next-of-kin of those unfortunate enough to be confined there, and the peace of mind it brings to the relatives.

The return to health of these patients, I am told, and this is significant, lies in the neighbourhood of 65 per cent. a year. That is remarkable in rehabilitating human beings in this province, a remarkable record indeed.

When I visited there I noticed the efficient and attentive staff and the cleanliness of the premises, the quality of the excellent food that is served, and everything in connection with that institution and I believe all those in the province are similar and they are certainly excellent and first-class.

There are two things I would like to ask the hon. Minister. The real work of a mental hospital is in the medical and surgical building and in that great institution of ours they are still to be built, and I would like the hon. Minister to inform me at this time when that may be built. The second question I would like to have answered is the procedure on committal to an institution, what the full procedure is, because that is the only difficulty I have encountered in connection with that institution to date.

This has caused some embarrassment on the part of the next-of-kin on the method of committal, that is the procedure there. Due to lack of accommodation at the hospital the patient has to go to a room first which is set aside in our

local gaol and there they are examined by two or three physicians and the committal is made but there is some heart-rending on the part of the next-of-kin that those who are so afflicted must go into the gaol before being committed to the institution.

These two questions I would like to have answered and I must reiterate my thanks for the job the hon. Minister and his staff are doing and the wonderful buildings that are in this province at the present time. I think this is a great credit to the government and to this province and a great comfort to all our people in this province.

HON. MR. PHILLIPS: Mr. Chairman, the hon. member for Port Arthur can truly be said to be a silver orator. I was just a little embarrassed with all those kind words.

MR. WARDROPE: It is all true.

HON. MR. PHILLIPS: I thank you very much. First of all, the hon. Minister of Public Works we must admit has done a terrific job in the last two or three years in facilitating our programme which has to do with the construction of new Ontario mental hospitals and he certainly gets the job done quickly. A year ago we had to evaluate the whole situation and give certain places priority over others on a need basis only, and I can assure the hon. member for Port Arthur that if he will give me a little assistance, a little pressure on the hon. Minister of Public Works, we will get these buildings completed.

I think perhaps I might be a little embarrassed in doing that because I have already given the hon. Minister the hospitals priority, that is priority of need.

Regarding this second question of committal, that is done first by having a set of 4 papers made out, one by the family physician who also makes out a history form of that patient. Then, another doctor has to complete his form and all he states is that in his opinion the patient is mentally ill. Both doctors make out such a statement.

The fourth is a financial form and the parents or the next-of-kin fills that one out and they are sent in. We do everything in our power to get these people in within a very few days of receiving their papers and I am speaking now of the mentally ill.

With regard to these people going to gaol we feel just the same as the hon. member for Port Arthur. In 1952 we gave grants to our general hospitals in order that they would have detention wards and not have these people go to gaol and it will not be too long before we have that all over this province and no person suffering from mental illness will have to go to gaol.

There are two other ways they may be committed, one is on a magistrate's order for 60 days during which time they will examine these people for mental illness.

Also, they may come in as a voluntary patient and all they require there is a simple form filled out by their own physician at home and when they arrive at the hospital they sign themselves in and they can also sign themselves out, but I would not advise them to do that until the superintendent signs a discharge, but, nevertheless, they could do it.

The others are committed until the superintendent says that they are ready to leave.

MR. MacDONALD: This estimate shows a concern on the part of the government in connection with efforts in recent years to come to grips with various children's problems and children's diseases, and I would like to say—this is rather a privilege—that this is one occasion on which I can give completely unqualified commendation to the government's efforts.

I think we should give credit where credit is due to all concerned, and I think the heartening thing here is that in the first instance it was usually the parents or the next-of-kin of the people who began to regard these problems not as something in which there should be

stigma, but rather as a disease or retardation, and something could be done about it; and these parents and the volunteer organizations banded together to come to grips with it.

The federal government in some instances gave what you might call "experimental grants" but apparently they considered their role to be that of developing a "pilot model"; and then leaving the whole project for the provincial government to pick up; and I think this government is to be commended because, in many instances, they have picked up and, therefore, have met the problem formerly faced by basically volunteer groups with limited resources and training.

What I am thinking of are the retarded children's schools and the procurement of the centre at Thistletown to care for the mentally-disturbed or schizophrenic children.

But there are 3 questions I want to ask the government in connection with this general appeal.

HON. MR. PHILLIPS: Do not spoil it!

MR. MacDONALD: I am not going to spoil it. It is mostly seeking information.

What is the reasoning or the thinking, back of the government's decision to dot two or three hospitals in the western part of Ontario rather than in one. If the hon. Minister will forgive me, I am wondering if this was the only solution in face of the many local demands for the hospital, and his Solomon's choice was that he divided it into 3.

HON. MR. PHILLIPS: Would the hon. member tell me why he says that there are going to be 3? Did somebody fly a nice kite? I certainly did not say there were going to be 3.

MR. MacDONALD: It may be that one cannot believe what one reads in the newspapers, because I read there had been a decision.

HON. MR. PHILLIPS: When the Toronto *Telegram* called me, after it was in one of the other newspapers, I said I had no comment to make, except that a policy was under consideration; we had not reached any decision.

MR. MacDONALD: Well, that is news to me. In any event, we will look forward to the solution of this very complex problem in which politics has its part to play.

The next question I want to address to the hon. Minister is this—and I recognize it may be our lack of facilities at the moment—but it seems to me that sometime soon we should take a look at a problem which is partly in the hon. Minister's department and partly in The Department of Reform Institutions.

For example, there have been careful surveys made of the inmates at The Mercer Institution in the last two or three years, and they have discovered that of the 500 women who pass through that institution in a year approximately 150 of them are of an I.Q. of less than 70, and a fair number of them—I think it was 30, 40, or 45, have an I.Q. of 55 or 50, or even less.

MR. W. J. STEWART (Parkdale): How did the hon. member find it at Galt?

MR. MacDONALD: We will come to that a little later at the appropriate time.

My question is that the reform institution is obviously not the place for a person of that I.Q., that very little can be done for them because we have not got the facilities in a reform institution. Is there a lack of institutional space elsewhere at the moment? What is the hon. Minister's view on that?

HON. MR. PHILLIPS: I may say that I had a meeting with several of the professional men, many of them employed in research, others practicing some form of neurology or psychiatry, and they said that they were going to

carry on their research in the field of mental retardation, but in that field of mental retardation you could say you had other classifications, no matter what their I.Q.'s, and that was because they were psychopathic.

I would like to give the hon. members my definition of a psychopath. One fellow says a psychopath is a person who is plain bad, not mentally ill. Whether that is the category these girls belong to, I cannot say, but I know a great many of them are psychopaths. But the psychopath is a person who cannot live within the social pattern of behaviour which we live in; then we have others who are mentally retarded for one reason or another.

Those poor people are not psychopathic; they simply were not given the same amount of grey matter as most of us in this House have.

For the first time in history research is being done at our forensic clinic—we are going to establish one at London, we hope, and in Toronto they have been doing it for at least two years—they are carrying on and finding out whether something cannot be done for those mentally retarded. But do not forget that we have two vital organs, the one is the brain and the other is the heart; and there is no spare tire there like we have in other parts of the body; and when brain cells are destroyed they are destroyed for ever. I am not just quoting my own words.

That is what the top specialists told me. But, nevertheless, we are going to carry on our research and make sure that nothing can be done for these people.

MR. MacDONALD: Mr. Chairman, my third question in this field has to do with what is the government's policy with respect to private institutions that are attempting to do a job in this field?

We are faced with the situation in which it is going to be at least some years before we will have sufficient public institutions to meet the needs of the retarded children and adults.

There are a number—I think a limited number—of private institutions. I am thinking of one, for example, north of Belleville. I think most of the hon. members have been circularized on it. It is now seeking some sort of government grant to meet the rising costs.

What is the government's policy with respect to private institutions and any such grants to them?

HON. MR. PHILLIPS: Most of these places—and we have quite a number in our area—started on their own and took a certain number of children who are all mentally retarded.

I mentioned at the beginning of my remarks that we had set up an inter-departmental committee of 8 people, two from the department of education, two from welfare, two from reform institutions and two from our department of health, who are going to make a study of this immediately and report back to their hon. Ministers, at which time the hon. Ministers will have a meeting with the senior officials of their departments.

MR. CHILD (Wentworth): I wonder if I could ask the hon. Minister a question? When a patient is committed on the signatures of two doctors but does not have a relative in order to sign him out, what is the process for having him released? After they have been cured, or are on the mend, and they have no person to go to so far as the 6 months' probationary period is concerned . . . ?

HON. MR. PHILLIPS: It is just the same as in any general hospital where there is an emergency. The medical man in charge has the right to sign a form that the patient requires an operation. In this particular case it is the superintendent. The superintendent has the right to sign it for the parent or next of kin.

MR. WINTERMEYER: May I ask the hon. Minister whether he will give us the same information as he has given

us with respect to the tuberculosis sanatoria—that is, the number of dollars which are collected from patients as related to the other costs of operating these mental institutions?

HON. MR. PHILLIPS: Is the hon. member asking it in the tuberculosis sense, or that of mental hospitals?

MR. WINTERMEYER: Mental hospitals.

HON. MR. PHILLIPS: Our total cost was \$29 million, and we took in \$3½ million.

THE CHAIRMAN: Vote 514.

MR. T. D. THOMAS: On vote 514. The estimates for the salaries of the hospital commission is \$260,000.

The question I would like to ask the hon. Minister, or the hon. Prime Minister—and I am just seeking information—is this estimate in the budget for The Department of Health—has the hon. Minister supervision over this commission, or is it an entirely independent commission within the department?

HON. MR. PHILLIPS: It is a commission entirely within The Department of Health.

MR. T. D. THOMAS: Under the jurisdiction of the hon. Minister?

HON. MR. PHILLIPS: It is independent in a way, but it is under the hon. Minister of Health and there is very close co-operation between the chairman, Mr. Swanson, and myself.

MR. T. D. THOMAS: Mr. Chairman, there are some very able people on that commission and we are all hopeful, of course, that this plan will get under way as soon as possible. However, I was wondering if the hon. Minister would give some consideration to the appointment of some responsible person in the labour field.

After all, the success of this plan will depend largely, I think, for the first year or two, on payroll deductions and therefore I think someone of that calibre would be of great assistance to the commission in processing this plan. I wonder if the hon. Minister or the hon. Prime Minister will give some consideration to that suggestion?

HON. MR. PHILLIPS: The medical association wants a representative on the commission, the nurses want one, and if we gave representation to every organization that wants it, we would be in an impossible situation. However, we will take the hon. member's suggestion under advisement and it will receive consideration.

MR. T. D. THOMAS: Mr. Chairman, the only thing I say to that is this, that after all the people who pay the bills should have some representation on there too.

HON. L. M. FROST (Prime Minister): In order to clarify one of the questions asked by the hon. member for Oshawa about the commission, I believe the hon. Minister of Health made it plain that this commission of course operates under an Act which is its own and the hon. Minister is the liaison with the government. Nevertheless the commission is an independent one and I desire and intend that its decisions shall be independent. It is not a commission or an emanation of the department which will put the administration of health insurance under the thumb of the department or of the government; as a matter of fact we want it run as a separate organization.

MR. MacDONALD: Would the hon. Prime Minister say that the relation of the liquor commission with the hon. Provincial Secretary answering for it in the House is a comparable one?

HON. MR. FROST: I would not say it was altogether comparable, for this reason, Mr. Chairman, that the

administration of the liquor problem is one that is always closely associated with the government, and necessarily so. We have to take action in relation to policy and other matters of that sort, but I hope to separate the administration of the hospital services commission from the operations of the government.

I think perhaps a better comparison might be the method of operation of the Workmen's Compensation Board. That board is an entity with which we have the right in this House to interfere by way of legislation, and I believe the hon. member will agree that over the years that has been entirely desirable. I think that the same principle would apply to the hospital services commission, and that is the way I intend to set it up and have it.

For purposes of administration and the original setting up of this, the hospital services commission appears, of course, in the estimates of The Department of Health. That may not be the case in the future. As a matter of fact, it may be desirable to leave it out and have the commission report to a Minister in much the same way as the Workmen's Compensation Board reports to the hon. Minister of Labour.

MR. OLIVER: Mr. Chairman, I was going to argue that the relationship remain the same as it is now. It seems to me that this system or this set-up is to be preferred in many respects to that of the relationship between the Workmen's Compensation Board and the government. In this we have the actual estimate of the commission in the hon. Minister's estimates and the estimate is recognized by hon. members and then discussed and voted upon. I think it might be one way to curtail the undesirable features of the commission form of government, and I think the hon. Prime Minister might give serious thought to the retaining of the relationship that is set up by these estimates.

I would like to ask the hon. Minister of Health in relation to tubercular sanatoria. What is the population of

these sanatoria at the present time and at what percentage of capacity are they operating at the moment?

HON. MR. PHILLIPS: Approximately 400 beds out of a total of 4,000 are vacant, which means that there is a 10 per cent. vacancy.

MR. OLIVER: Of this 10 per cent. vacancy is any use being made?

HON. MR. PHILLIPS: Yes.

MR. OLIVER: What is it?

HON. MR. PHILLIPS: We are just formulating a policy in order that we will be using at least two of the sanatoria in the province for purposes other than tuberculosis, that is for other illnesses. We have already made a complete survey of all our 14 sanatoria and have picked two to rehabilitate for other purposes than for tuberculosis. There is only a 10 per cent. vacancy and it must be kept in mind that they have to lend themselves to rehabilitation and so forth.

Vote 514 agreed to.

MR. T. D. THOMAS: Mr. Chairman, before the estimates are finally approved, I was looking in the public accounts for the year 1956 and I am just seeking information on this item. I see "Payments to county councils carrying on school medical inspections." There was a payment to Haldimand county of \$3,170; Haliburton, \$1,536; Middlesex, \$9,402; Perth, \$1,400, and Wentworth, \$9,377. I was wondering if the hon. Minister could give us some information respecting the basis of the grant and how any other county could qualify for such if they so desired.

HON. MR. PHILLIPS: That is simply for a county school nursing service. I was very happy that the hon. member did not read out another \$2 account.

MR. T. D. THOMAS: No. If the hon. Minister wishes to refer to \$2 accounts, Mr. Chairman, there are many more \$2 accounts in there as well.

HON. MR. PHILLIPS: Yes. For these county nurses, we pay up to 30 per cent. of the total cost.

Hon. Mr. Frost moves that the committee rise and report certain resolutions.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. C. E. JANES (Lambton East): Mr. Speaker, the committee of supply begs to report certain resolutions and asks for leave to sit again.

Motion agreed to; report adopted.

HON. MR. FROST (Prime Minister): Mr. Speaker, before calling the next order, I want to advise the House that tomorrow it seems desirable in the public interest that the House should rise at about 4.30 instead of 5.00 o'clock as I said yesterday. In such case, the House will meet at 2.00 o'clock and I would like to consider the estimates of The Department of Public Works. Following that, I would like to deal in committee with the farm marketing legislation. I point out to the hon. Leader of the Opposition that we are concerned about this because there is said to be some indication that the Opposition at Ottawa are driving the government to the country, in which case I would not want them to prorogue without passing the reciprocal legislation which is anticipated for this bill, which is of great importance to the farming community; and I consider it desirable that we meet that situation tomorrow if we can.

MR. OLIVER: I am concerned, Mr. Speaker, about one aspect of what the hon. Prime Minister is discussing and that is why he needed to wait until the 10th day of March to write the federal government requesting these amendments to the Farm Marketing Act.

HON. MR. FROST: If the hon. Leader of the Opposition will ask that question tomorrow, we might go into the situation and I shall be very glad to meet him at that time and discuss the whole problem. Parliament is in session at Ottawa and I am sure the hon. Leader of the Opposition will agree that it is highly desirable that this enabling legislation should be passed there to enable us to get on with the business of the farming community of this province.

MR. OLIVER: Delayed action.

HON. MR. FROST: Now is the time to do it.

INCOME TAX RENTAL AGREEMENT

Hon. Mr. Porter moves second reading of Bill No. 113, "An Act to authorize an Income Tax Rental Agreement."

MR. NIXON (Brant): Is the hon. Provincial Treasurer not going to favour us with a speech?

HON. MR. PORTER: Last night my speech was not appreciated. I was cut off halfway through.

MR. OLIVER: This is another day.

HON. MR. PORTER: I think hon. members opposite just want me to make a speech so they can embarrass me.

MR. WHICHER: That is not possible, Mr. Speaker.

HON. MR. PORTER: This is a very simple bill to authorize the making of an agreement between Ontario and Canada under which the province will rent to Canada its right to impose an income tax on the residents of Ontario for a consideration payable by Canada to Ontario of 10 per cent. of the tax otherwise payable by those persons under the Income Tax Act of Canada

for the years 1957 to 1961 on the basis of the rates applicable under that Act to 1956.

The foregoing sets out the main principle which will be covered by the agreement. My understanding is that the draft of the agreement is virtually complete and most of the points which are to be covered are pretty well settled.

It gives the power to enter into an agreement which will have the effect of making it unnecessary to have a separate collection of personal income tax in this province, which would be inconvenient and give rise to many difficulties. It provides for a tax rental agreement rather than a tax collection agreement.

On looking into the two alternatives it was decided that the features of the rental agreement were somewhat more favourable than a straight tax collection agreement, because under the tax collection agreement we would have to pay a great amount of commission for the collection.

Under the rental agreement, they collect the whole tax and they do not have to pay back the exact amount in the same way; it is a much simpler formula for paying back and there is not that additional charge for collection. That is the reason we prefer the rental agreement under all the circumstances rather than any other method of accomplishing it.

MR. NIXON: How much is the hon. Minister expecting to obtain from this source next year?

HON. MR. PORTER: There will be an increase of \$31 million, I would say \$63 million.

MR. NIXON: 63?

HON. MR. PORTER: \$63 million, yes.

MR. OLIVER: The rate is doubled.

HON. MR. PORTER: Yes, it was formerly based and will be up until the

end of the present year, on 5 per cent. This is 10 per cent. As was pointed out at an earlier stage, after the budget was presented, there is an item under the present agreement which provides for certain escalator features which will not be in the new agreement and we will lose to some extent in that way.

MR. OLIVER: By what amount?

HON. MR. PORTER: About \$10 million. All we have to do is agree with the federal government, and we get 100 per cent. co-operation.

MR. OLIVER: All the hon. Provincial Treasurer has to do is bring in sound legislation.

MR. NIXON: Does the hon. Provincial Treasurer not think he should thank the honourable Mr. Harris for his kindness in doing this government's "hatchet work" in collecting \$63 million and all the government has to do is collect the cheque?

HON. MR. PORTER: We feel this is a very satisfactory arrangement.

MR. NIXON: I should think so.

HON. MR. PORTER: Except that the 10 per cent. is not enough.

MR. WHICHER: The government gets double the amount just the same as the diesel tax.

HON. MR. PORTER: I do not want to repeat what has been said in the House but I am prepared to concede the arrangement for the collection of this tax is very satisfactory to us.

Motion agreed to; second reading of the bill.

LOGGING TAX ACT

Hon. Mr. Porter moves second reading of Bill No. 114, "An Act to amend the Logging Tax Act."

He said: Mr. Speaker, in this bill we are applying the formula for logging tax that has been under discussion between the federal authorities and the other 9 provinces of Canada, to bring about this result. One of the matters of discussion with the federal authorities as to taxes is that there are certain natural resource taxes which are open to the provinces and it has always been claimed that these taxes should be allowed us and deducted as an item of expense for the imposition of the corporation income tax.

That would mean that insofar as we can do that we obtain a certain amount of money out of one source of natural resource tax and the cost to the corporation after making a profit is approximately one-half of that amount, when you take into consideration the federal and provincial income tax statute.

In the case of the logging taxes, under the last federal-provincial agreement, a certain formula was worked out which had the rather general result of a tax on the logging profits of the company each year, more or less arbitrarily fixed at about \$4 a cord, and that has been applied.

The proposal now and the arrangement which we have made with the federal government is a new type of formula which has the result of allowing us a greater return from this source of tax, which will be deductible for purposes of corporation income tax. This is a concession from the federal authorities within certain limits of this type of tax. As a matter of fact, I think the hon. Leader of the Opposition mentioned this type of tax in his speech delivered on February 5th in this House.

He was outlining then the source of revenue that we have as a result of concessions made by the government. He mentioned certain taxes, the 2 per cent. on insurance premiums and said he would suggest to the hon. members of the House that there have been or will be other fringe concessions, as he calls them, along the line and after the pat-

tern of the insurance tax. I am quoting from the speech of the hon. Leader of the Opposition.

The hon. Prime Minister, I believe, talked about the withholding tax; there are taxes for the fire marshal's office; there are taxes relating to logging and mining. I think this is the sort of arrangement the hon. member had in mind.

By proposing this bill, we are simply taking the formula which was agreed between the federal government and ourselves, and the 10 provinces agreed to the terms of this formula and we were making that apply, as a definition of logging profits of logging operations. There is no increase in the rate of the tax; it is simply applying the formula in its extended form, and I would ask the hon. members of the House to approve of this bill.

MR. WINTERMEYER (Waterloo North): Mr. Chairman, if I may be permitted to ask the hon. Provincial Treasurer a question, he says the base has been changed—

HON. MR. PORTER: Yes?

MR. WINTERMEYER: But the levies remain the same.

HON. MR. PORTER: The rate is the same.

MR. WINTERMEYER: Am I correct in this, and I ask this simply for information. My understanding is that basically what we are trying to do here is to tax the profit from the logging operation in this particular industry. To get my point across, in the normal company, they chop a tree down and take it to the processing mill and process it into paper or other form of merchantable material.

HON. MR. FROST (Prime Minister): This matter really arose from the conferences of 1945 when all the provinces, including Ontario, contended

that they were not getting in, what might be termed, Royalty taxes, an amount which was fair to them. That was the origin of it. As a matter of fact, it used to be in both mining tax and in timber matters. I think our position was rather unique. We had a Royalty tax which was based upon profits, but it really translated the cost back to quite a complicated formula to the ore at the pit's mouth. Now that was the conception of the Ontario tax.

At the time of the conference in 1945, the question of the tax rental arrangements which came up at that time raised that point because it was arguable that the Ontario tax was a tax on income because it was related to that.

However, arrangements were made, and satisfactory arrangements, to permit that type of tax, and I think some of the other provinces then adopted the Ontario method. I think that is what happened.

In connection with logging, the situation was different. The Ontario tax at that time, or prior to that time, was on the basis of stumpage, and as you will see, the province was restricted this way: If the stumpage dues were raised, it meant the concerns which were having difficulty getting along, were faced with a tax that bore no relation to profits or the prosperity of that concern, and therefore, it was not feasible, and I think most of the provinces found this, to raise the stumpage dues, that is, to a very great extent.

Now, we did some 3 or 4 years ago make an adjustment in our stumpage dues. There is quite an extensive reference to that in the Kennedy report, and we felt that our stumpage dues here in Ontario were low and we did adjust them. I would say in some cases we adjusted them too high, notably in jack-pine and perhaps poplar, but I think we are making a readjustment there which will be fair and which will perhaps assist companies, or persuade companies—perhaps I can put it that way—to use jack-pine and poplar instead of the other better species of timber.

That, of course, is a projection which I cannot say for certain, but at that time it was felt and my recollection is, that it came from a British Columbia formula that the fairest type of Royalty tax should have some application to income and profits from these companies, and therefore, that situation was introduced.

As the hon. Provincial Treasurer has said, following 1945, and in the negotiations that arose out of that, there was great dissatisfaction. I would say there is some dissatisfaction today about the amount of Royalty tax which this and other provinces receive.

I think our argument was clearly that there should be a just amount of Royalty tax, which would be totally deductible from corporation tax, so that the provinces would not be under a disability such as they are at the present time. However, that point of view was not accepted, but the federal government did revise or agree to a revision of the basis upon which the Royalty tax could be calculated, so that the amounts coming to the province would be a larger sum and which would be deductible.

They went so far as to make it deductible as an expense, which as the hon. Provincial Treasurer says, means approximately 39 per cent. of that, comes out of the federal government, or 38 per cent. under the present arrangement, and about 11 per cent. of course, turns around, and is a deduction against our own tax.

That is about the situation and that is the history of the matter. I may say to the hon. member that the matter of resource taxes with the provinces are a very sore point, and you can see the reason why. The other day I was meeting with the representatives from one of the new mining areas. It may have been Elliot Lake, and probably it was in connection with that uranium camp near Blind River.

As a matter of fact, I do not think at the moment we have received any tax from that source. I do not think we will receive any tax until 1958 or 1959; however, that date is a date in the future

that we would receive tax. It is necessary for this province to invest in that area to the tune of millions of dollars before we get a cent. Before we get a nickel, we have to invest all sorts of money there in roads and schools and everything else, while our big friends, down in Ottawa, and I would like to tell the hon. Leader of the Opposition this: sit there with a nice sharp pair of scissors and clip the coupons off the taxes as soon as they come in.

At the same time they leave the provinces to invest money there in order that they receive the huge corporation dividends and the huge returns which they do from what really amounts to be a provincial investment in a provincial office.

I say to the hon. member that that is the situation. I know, being a very fair person, unless his judgment has been biased in hunting with the people that he hunts with over there, I think he would say that that is a very unjust and unfair situation.

MR. WINTERMEYER: Mr. Speaker, I think the hon. Prime Minister will agree that this particular industry, that is, the pulp and paper industry, is not quite analogous to our mining industry, and we are anxious to get these trees processed, if you will. We may own them, but until the processing starts, we get no revenue whatsoever.

The point I would like to make is this: As I understand the situation, the determination is how much to charge for the profit which resulted from the time that a tree is chopped down until it goes into the processing mill, and it was arbitrarily decided that \$4.00 a ton would be considered the arbitrary profit on the operation.

HON. MR. PORTER: \$4.00 a cord.

MR. WINTERMEYER: I am sorry, \$4.00 a cord. The levy was 9 per cent. on that. I understand that is the rate charged 9 per cent. on about 25 per cent. of the total revenue of the ordinary

pulp and paper industry. In other words, 9 per cent. charged was on one-quarter of their total operations, or 2.25 per cent. of their total profit. Now, I would agree with the hon. Minister that half of that, of course, is deductible as an expense. There is no question about that. As I see this tax, the industry is going to pay twice as much and for this reason: At the present time, the charge is 9 per cent. on its actual earnings of that operation. I am told that the industry anticipates that the charge of 9 per cent. will apply to about one half of its total profits.

Translated, that means this will be an additional charge of 2.25 per cent. on its earnings. That, added to the 2 per cent. income tax, and you have a total of 4.25 per cent., which is not deductible at the Ottawa level from any other tax or as an expense of operation.

Last night I suggested this is a particular industry wherein we have succeeded in carrying across the 50 per cent. level. I feel that we definitely have. I suggest to this House, by virtue of this tax, you are in fact taxing this industry an additional 4.25 per cent. on its total income and that is not a deductible charge. Therefore, we have passed the total 50 per cent. of which I spoke last night.

Let me just make this one point. If the hon. Minister wishes to stop there, I am quite prepared, but I want to proceed to my conclusion.

I am saying that you change the basis. At present, they are paying this additional charge and this 9 per cent. now applies to profits. I am not complaining about that, as such, but the new basis means the industry is paying twice as much and it is not deductible, if the information I have is correct. With the added or corporate tax the total is 4.25 additional charge. I understand in Quebec—

HON. MR. PORTER: It would amount to that, approximately, yes.

MR. WINTERMEYER: I can see no disagreement with what I have said

up to this point. I understand Quebec has no such tax. In other words, in this province, the industry is prejudiced in its operation to a point of a 4.25 levy on its profits.

I understand no other province in the Dominion collects any more than this particular levy, unless perhaps, in British Columbia, under certain circumstances, they collect almost as much.

HON. MR. PORTER: They have a much higher stumpage.

MR. WINTERMEYER: In British Columbia, the stumpage and everything else would be equivalent to ours.

HON. MR. PORTER: In Quebec the government does not let them raise the price of their newsprint.

MR. WINTERMEYER: Let us stick to one thing at a time. My contention is, at the present time we are making a levy of 4.25 that Quebec does not make.

HON. MR. PORTER: Do we have to follow Quebec?

MR. WINTERMEYER: Let us consider the industry: I do not want to be classed by anyone as a defender of big business.

HON. MR. PORTER: I am not suggesting the hon. member is.

MR. WINTERMEYER: Let us consider the companies involved herein: you know and I know that these companies started on the down trend in 1926 and from 1929 to 1946, they were in bankruptcy. Since that time, they have succeeded in a profitable operation. They have paid most of their debts, but they have not had an opportunity to go out and buy new capital equipment in the manner they should.

I suggest to the hon. Minister, that this particular industry, which is the basic industry in Canada, and is the foremost exporter in Canada, must be

treated with real fairness and consideration. Very frankly, I do not know if this impost is going to upset the apple-cart or not.

In relation to one company I examined, the 4.25 per cent. represents \$1½ million. It means the company is at a disadvantage with Quebec to that extent and, I would like the House to remember this, Quebec has more timber than we have.

HON. MR. PORTER: The hon. member did say \$1½ million?

MR. WINTERMEYER: Yes.

HON. MR. PORTER: And the hon. member says that is not deductible?

MR. WINTERMEYER: Yes.

HON. MR. PORTER: Well, that must be a pretty big company.

MR. WINTERMEYER: I wish the hon. Provincial Treasurer would not do as the hon. member for York South (Mr. D. C. MacDonald) does, and just look at the profits of the company.

HON. MR. PORTER: They must have huge profits.

MR. WINTERMEYER: The gross profits were \$31 million; one-half of which is paid by way of taxation, leaving \$15 million. Of the \$15 million, that represents a return of 10 per cent. of the capitalization of the company. Of that \$15 million or 10 per cent., or \$7 million goes to the stockholders by virtue of dividend which represents a return of some 4 per cent., if you will. The other 5 per cent. is used for debt retirement. I know someone will hop up and say, "what about these reserves and depreciation?" As a matter of fact the depreciation is not sufficient to replace the equipment which should be replaced.

MR. YAREMKO: Who controls the depreciation allowance?

MR. WINTERMEYER: That may be, but I am just countering the argument that I have not taken depreciation into consideration.

In essence, what I am trying to say, is that the company has under its control this 10 per cent., one-half of which goes to dividend, to the shareholder and one-half goes to debt retirement, and there is nothing left for capital expansion as such.

The concern I have is this: Remember that we are in a competitive industry; remember that in the southern part of the United States they are developing continuously a system of artificially processing newsprint; and I am advised that within 2 or 3 years there will be a surplus — that is a world surplus. We are competing for that American market, and we in Ontario are put at a disadvantage over Quebec, which is our basic competitor in this regard; and I think that we will be doing Ontario — the economy of this province — serious harm.

The fact of the matter is that nobody knows, as such, how serious the surplus is. There is a world demand for it, but you and I know, that in England, France and other places where there is a demand for newsprint there is no opportunity to use dollars to buy newsprint, and, therefore, to say that you can sell newsprint to England, France or Europe, is purely fictitious.

We have to get into the American market, and that American market is becoming more and more competitive, and this 4.2 per cent. will make a real difference.

The hon. Prime Minister suggested the other day that there may be a committee set up to investigate this whole matter. I think that is an admirable suggestion, but I think it should be a committee of this House. It is a serious matter that we are concerned with here. It is true that we all want to get revenue from our natural resources — that is a normal thing — but remember this, that those natural resources have to be processed. They are of no use to us up in

the northland unprocessed, and the people who have to process them must be given some encouragement to do so, and must be put on a competitive basis with other competing countries.

I hope somebody is going to say something about the increase in paper. I did not hear Mr. Duplessis suggesting anything with respect to the recent increase.

He did a year ago, but I did not hear him say anything about the recent increase a few months back; and remember this, that in regard to this general matter Duplessis has not run and complained to Ottawa, but dealt with the companies in a matter which, I think, has encouraged those companies, and that government is encouraging them at the present time.

I suppose somebody will tell me, "There is a senate investigation about this whole matter. This is terrible." Mr. Speaker, may I say this, that the senate investigation has come about by and large as a result of one competing company in Canada, called International Paper, wholly owned by American capital — at least, it is a wholly-owned subsidiary of an American company.

I suggest that one thing that company did not want was to get "in bad", if you will, with American publishers, and it has precipitated a situation which is harmful to the Canadian companies. That company is the largest paper company in the world, and its subsidiary is the largest Canadian company in the field — larger than any of ours and that particular company is more interested in gaining favour with United States publishers than in our Canadian economy.

That type of thing is happening here, and I would say, so far as the action in the senate and the United States is concerned, it is unfortunate and it is despicable that in the United States efforts should be undertaken to control the economy of this particular product simply because it affects the newsprint business directly. That company is

more interested in its public relations in the United States than in our Canadian economy.

Some people talk about the increase in the price of paper and say that the effect of these increases are out of order. I say that the prices have not increased proportionately more than any other product. I suggest to the hon. members that at the present time we have seriously to consider whether or not we are doing this particular industry any harm, and I suggest that before we rush in and effect some real harm that we ask a committee of this House to sit down and thoroughly study the situation; because certainly in comparison with other provinces we are exacting in a toll, or levy, or tax, more than any other province — at least, we are higher than Quebec, our basic competitor.

After all, these two provinces would represent, I suppose, the big bulk of the total industry in Canada. The only other province that is anywhere near is British Columbia, which is in an entirely different category.

This is a more serious thing than it might appear at first. This particular industry is a primary industry.

I am not suggesting that it is the government's intention to do anything to destroy the industry — no; but it may be that to indiscriminately levy and load a burden on to it, will put it out of what has become a very competitive market for newsprint; and I suggest to the hon. members of this House that before we take any action we should get some real assurance that a committee of this House will sit down and investigate, in a serious way, the levy we are putting on our natural resources industry and the revenue that we can expect from them.

I feel, like many hon. members, that we have the right to get a good deal of revenue from these sources but this particular industry was, for a long while, a depressed one, and it could again become such. We might be putting on a levy which will put it into an unfavourable competitive position with other provinces.

MR. MacDONALD (York South): I would like to ask the hon. Provincial Treasurer a question. Let me state briefly, that my approach to this, as I have indicated earlier in the House, is almost opposite to that expressed by the hon. member for Waterloo (Mr. Wintermeyer).

He seems to be more interested in an industry which, by the prima-facie evidence, at least, has been making very high profits, which has been gouging the public with increased prices for its paper very frequently of recent years; but my concern is why we, as the owners of this basic resource, are getting so little for our property; that we are getting so little for having this basic resource turned into the funny papers of the American nation, because that is about what is happening.

The increase that the hon. Minister has indicated in the bill now before us is, relatively, a very, very small one. It is an increase in revenue from about \$900,000 to about \$2 million, which is a relatively small figure; and as I pointed out last night and in the Budget debate earlier, I have no doubt, looking at the overall picture of revenue from our forests resources, the net amount that we had this past year, after you calculate what is ploughed back to service the industry, was \$5.4 million.

And yet the hon. Provincial Treasurer's predictions for the coming year are that the net revenue to the province, after what has been ploughed back to service the industry, will be less than \$5 million. What are the reasons as to why we cannot raise more? Last year the hon. Minister of Lands and Forests (Mr. Mapledoram)—when we discussed the estimates—cited the question that seems to be accepted in our debate this afternoon as the only reason, namely, the relationship of a competitive position vis-a-vis Quebec.

Is that the only reason why we cannot raise more than \$5 million net revenue to the people of Ontario from an industry with a production wealth of about \$600 million?

HON. MR. FROST: I would say to the hon. member that the real reason is the niggardly deal we get in Ottawa. That is the real reason.

MR. MacDONALD: Let us take a look at this excuse. Why can the government not raise it at the resources tax level where it would become a deductible item . . .

HON. MR. FROST: I would say that it is a mere fiction for the federal people to say that they are giving to the provinces the right to tax and take tax to suit themselves. That is what Mr. Brace said in his statement the other day. As a matter of fact, I say to the hon. member that where you are clearly faced with a competitive situation you cannot go beyond a certain limit otherwise you make your industries non-competitive; and you have to be very careful on that point.

I would say, too, that for the federal government to say that they are giving to the provinces certain tax reductions—they are saying that with their tongue in their cheek. As a matter of fact this province is met by this fact that they can drive themselves, their industries and their workers into a non-competitive position.

The only solution, and the fairest solution, is to give to the provinces an equitable area within which to work their levy, their own tax, so as not to have double taxes. That is the true solution to it.

I would say to the hon. member for York South, again, that it comes from the fact that the federal government refuses to take a realistic view of the situation. Yesterday I mentioned the situation of Alberta and New Brunswick as contrasted with our own position. May I point out to the hon. member that the federal thinking is completely living in the past.

It is living on the hope and in the attitude of the old Sirois report of 17 or 18 years ago, much of the thinking of which is invalid today. They are living

in that atmosphere. They like to live down there in an atmosphere of — it is a type of feudalism down there, and they like to live in it, and they do not want to face the facts of the situation of Canada as they are.

They like to live in the spirit of J. L. Ilsley and some others there who were outdated when they made some of the statements they made 15 years ago. I would say that this is the result of their thinking, and it is the way they operate.

They look at the province of Ontario — I will not say they close their eyes to our problems, because I think they know our problems, I think they know our problems all right—but they pass on the other side of the road from Ontario. Under the present agreement, if they gave us what was fair as regards taxation and they raised the amounts of our limit under this present outmoded, obsolete, unjust and unfair system, of course, they would give Alberta too much money; you can see that point.

They would give Alberta too much money and one or two of the other provinces that should not receive so much money — they also give them too much. Actually, what we contended for down in Ottawa was this — and it was only just — that they should take the national average — the amount that should go to the provinces should be on the basis not of the average of the two highest, which, virtually, means, Ontario, but that it should be on the average of, say, 4 or 5 provinces, certainly including the provinces of Alberta and Quebec in the equation of wealth, but then they should introduce into their formula a basis of paying the needy provinces the money they required.

If that were done, of course it would mean that Ontario would have her level raised, and we would not be here today doing what the hon. member for Waterloo North bemoans, and that is imposing additional taxation on our people and our corporations. Today, we would have a fairer situation with the province of Alberta and some other provinces; and certainly the provinces down by the

sea, on the eastern side of this country, would be getting the \$25 million or \$30 million that they desperately need. I would very much like to see them get it.

As a matter of fact, I thought yesterday in seeing the report of the treasurer of one eastern province, that he was most modest in asking for another \$10 million; actually the figure we used was to give Nova Scotia and New Brunswick an extra \$15 million, in order to treat them decently. What in the world, in a federal budget of \$5,000 million, is \$10 million or \$15 million each to those provinces which are the great basic provinces of this country? They have never received a fair deal.

MR. MacDONALD: Is it just a coincidence that Ontario has become interested in these provinces?

HON. MR. FROST: No. I have argued that for a long time, and as a matter of fact I used to argue the same way when Mr. McNair was the Liberal Prime Minister of New Brunswick, and I certainly did when Angus L. Macdonald was the Prime Minister in Nova Scotia, and when Mr. Hickes was there. Mr. Stanfield has been there only in recent months, but we argued this thing two years ago and we talked at that time of advocating that Nova Scotia should get an extra \$15 million.

I would be very glad if the hon. member would sit with our economics department, with Mr. Gathercole and others, and look over the statements we made, and I am satisfied when he looks them over he will think that our statements are fair to the people of this country, not only to those of this province.

MR. MacDONALD: Mr. Chairman, I will agree this agreement was made, but it was made with Saskatchewan right at the hon. Prime Minister's shoulder, fighting for the Maritimes.

HON. MR. FROST: I will admit that Saskatchewan on some matters was in agreement with us, at least we

were not too far apart. But I would say our trouble is due, as I say, to this old, ingrown thinking down in Ottawa, where they are living in the spirit of the days of the commissioners who looked into the Sirois problems of nearly 20 years ago, in days that have very little relation to the days in which we live.

I say to the hon. member for Waterloo North that I would extend to him the same offer; I would be glad if he would sit down with our people and look at every statement we made down there.

Of course, we went down to Ottawa to look after the business of the province of Ontario, and that naturally lies behind what we say we are looking after. Of course, we looked after our embattled people, that is a job that has to be done.

On the other hand I will say this, and I think the hon. members of the opposition will agree, that we took a very broad Canadian view of this, we were prepared and are prepared today to co-operate with the federal government and the other provinces in trying to bring about a better deal for our country, not for the constituent parts of our country.

The very things we are dealing with today are matters which, while protesting two years ago at Ottawa, we told them we would have to do. I do not like these things any more than some of the hon. members in this House like them, but nevertheless we have to get the money and spread it over as fairly as we can, so that we will not get various parts of our business and economy out of line so that we cannot do business at all.

MR. MacDONALD: I have only one point to make, Mr. Chairman:

The corporation tax is put in because this government requires the money, but the government has stepped out of line, so to speak; the hon. Prime Minister has put on two per cent. more.

HON. MR. PORTER: Let me explain that.

MR. MacDONALD: The government has claimed there are other factors which make it more or less equal to the provincial tax levels.

HON. MR. PORTER: Yes.

MR. MacDONALD: The point I want to make is this:

Compared with the resources tax in some other provinces ours are certainly not any higher, and in some instances they are lower. If the government really wanted the money, instead of browbeating Ottawa they could have raised some of the money. I will concede that in this matter it probably could not go too far, but it is practically standing still. This government claims \$1.1 million more, but it ends up by having less net revenue for the people of the province of Ontario.

HON. MR. PORTER: It is difficult to estimate what it will raise because we have not the figures on this, this is a new formula.

MR. MacDONALD: If the government really required this money it could, instead of browbeating Ottawa, have done something more at home within its own jurisdiction and not use this as an excuse.

HON. MR. FROST: Well, this does produce a substantial amount of money for us in the province.

MR. NIXON: How much?

HON. MR. FROST: I would say probably about \$2 million more.

HON. MR. PORTER: It may be more than that.

MR. MacDONALD: The hon. Provincial Treasurer's own figures are \$900,000 last year and next year \$2 million.

HON. MR. FROST: We estimate we will receive about \$2 million more by this, and we hope if business is good we can make a little more. We have to judge as best we can the limit we can go without hurting business. That is the situation and we have looked at this very carefully.

I think that we have reached just about the limit in this; and of course we could raise this more, but it might have a very detrimental effect on business. This is about the play that we have, and I think we have forced it to the economic level but have not overjudged it.

HON. C. DALEY (Minister of Labour): Mr. Speaker, I am not going to get into any discussion on the tax situation. I would not be prepared to say whether we are receiving all that we should from this great industry, but I do happen to know that this province has a great many thousands of men working in the pulp and paper industry and they are all completely organized, working under the finest of conditions because of the negotiations with their organizations.

These men get a continuity of work that is seldom ever heard of and it is not very often we hear about any seasonal lay-off. I know that during the days of the depression in my area, where there are quite a number of these people who use the products of our forests, these were really the basis which kept the municipality alive.

These people continued to be paid high wages right through the depression.

The industry kept all their men employed, and I do not think we should be lambasting them now. If we did not have this industry, our great natural resource, our trees, would simply deteriorate.

I think we can go so far in endeavouring to take away from these people their ability to meet the demands of organized labour. They are a great asset to this province and I would not say whether we are going too far or not in taxation. I would not know, but I do know that

they are a valuable asset in this province and they do provide good labour conditions.

MR. MacDONALD: Nobody is arguing about that.

HON. MR. DALEY: No, but the hon. member does not give them any credit for it.

MR. MacDONALD: The hon. Minister accuses me of lambasting, and I could accuse him of mollicoddling, and both words would be equally reprehensible.

MR. SPEAKER: Order. The hon. member for Waterloo North has the floor.

MR. WINTERMEYER: Mr. Speaker, may I ask the hon. Prime Minister whether he will give an explanation about the equalization payments again? I do not quite understand his former explanation. My thought has always been that if he averages the first 4, he is not going to help Ontario, and is going to give less to the other provinces. I do not understand how Nova Scotia would get more.

HON. MR. FROST: The way we had that worked out was that if we raise the rates to 15, 15 and 50, and take an average of the 4 highest provinces, some of the provinces, which they contended would be out of line, would not have gotten out of line.

Then the federal government could turn around and make an adjustment with the Maritimes, and probably with the province of Saskatchewan. This adjustment would place those people, I think, on a formula not unlike the one which was advanced by the hon. Mr. Hickes of Nova Scotia, and also by the hon. Mr. Fleming of New Brunswick, which would have placed them in a pretty reasonable position without putting the plan out of line by making too large adjustment grants to some of the provinces.

The embarrassment of the federal government is clearly shown in the situation of giving \$35 million to the richest province of Canada, which is the province of Alberta. The adjoining province of Saskatchewan is certainly not well off. I am hopeful, as I think all Canadians are, that the Alberta oil fields will extend over into Saskatchewan, in which case they will quickly become rich neighbours as well.

MR. MacDONALD: They have a good government and are catching up fast.

HON. MR. FROST: I do not know about that, Mr. Speaker, I am not passing on any other government. I try to get along with governments outside of Ontario, but I do hope that will happen. If it did, then their adjustment grants could be reduced.

If the hon. member for Waterloo North were the Minister of Finance at Ottawa, I am sure we could make a good deal, one which would be fair and equitable to all provinces.

MR. WINTERMEYER: Then the hon. Prime Minister is saying that the equalization formula that he suggests would not of itself help these provinces, but that he would then introduce the additional levy—

HON. MR. FROST: No, Mr. Speaker, the hon. Mr. Hickes, former Prime Minister of Nova Scotia, and the hon. Mr. Fleming, Prime Minister of New Brunswick, introduced or proposed formulas which were very much the same, and which would, I believe, have materially met the problem that these provinces are facing today.

MR. WINTERMEYER: May I ask, were there subsidies involved in their formulas?

HON. MR. FROST: No, it was an adjustment. As has been said in this House, it took into the factor, or into the equation, the average incomes of

those places. As a matter of fact, in the Maritimes their incomes are comparatively low, and I think that that is probably true also of the province of Saskatchewan, where their economy is pretty well tied to farming.

In other provinces the incomes are quite high. That is true of our own province.

On the other hand, we of course have the very great problems, as have British Columbia and our sister province of Quebec, because of great developments and the fact we must earn the money to pay for them.

HON. MR. PORTER: Mr. Speaker, I would just like to say this, the hon. member for Waterloo North might use his influence in Ottawa rather than here, if he wants to save the burden of tax on these companies. I remind him of what he said a year ago in this House:

We have heard a great deal about the financial and fiscal arrangements between Ontario and Ottawa. There have been references to the suggestion that maybe too much is being asked of Ontario. I say that I wish the hon. Prime Minister, the hon. Provincial Treasurer and the delegation going to Ottawa the best of luck—

MR. WINTERMEYER: I still do.

HON. MR. PORTER:

—and I am sure every hon. member in this House hopes and expects that they will argue for Ontario. But I disagree with them in one respect.

We had the hon. member's "best of luck" and this is what we came back with, and I hope he will vote for it:

Ottawa, it seems to me, has given them an alternative and has said: "You can either come into this scheme or stay out of it." If we are to look to manufacturing and I think there is something to be said for it, maybe we could stay out of the scheme. Maybe

it would be better for Ontario to collect its own taxes.

The hon. members who attended in Ottawa so feel, and I think it is their statesmanlike duty to say so, and actually to make the collections themselves. I realize politically it is dangerous —

The hon. member does not mind anything politically dangerous to us—

—and undesirable politically, but I think the vital statistics of our economic state demonstrate that we must give real thought to and acknowledge the facts of life, as it were, as stated in this submission, with which I concur, as I am sure does every one else.

MR. WINTERMEYER: Mr. Speaker, nothing that the hon. Provincial Treasurer just read is inconsistent with my present stand. I told him just a few weeks ago: "Either stay out of the agreement in its entirety or go in in its entirety, but do not take part."

He knows as well as I do that technically, economically and consistently, he should be levying income tax on individuals as well. He knows and I know why the government is not going into that field; it is because it is politically dangerous, that is the only reason.

HON. MR. PORTER: We are levying this tax, which is one of the best agreements we can get.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, may I ask one question of the hon. Prime Minister? After listening to the debate this afternoon, does he think it would be a better deal for the people of Ontario to change the government at Ottawa or the government at Queen's Park?

HON. MR. FROST: Everybody knows that the government at Queen's Park stands for the people.

The House divided on the motion :

YEAS (*Continued*)

YEAS	NAYS
Allan	Gordon
(Haldimand- Norfolk)	Innes
Allen	Manley
(Middlesex South)	Nixon
Auld	Oliver
Belisle	Reaume
Boyer	Spence
Cass	Whicher
Cathcart	Wintermeyer
Cecile	Worton
Chaput	Wren
Collings	— 11
Connell	
Cowling	
Daley	
Davies	
Doucett	
Dymond	
Edwards	
Fishleigh	
Foote	
Frost	
(Bracondale)	
Frost	
(Victoria)	
Fullerton	
Gisborn	
Goodfellow	
Graham	
Grossman	
Hall	
Hanna	
Hunt	
Jackson	
Janes	
Johnston	
(Parry Sound)	
Johnston	
(Simcoe Centre)	
Johnston	
(Carleton)	
Kelly	
Kerr	
Lavergne	
Letherby	
MacDonald	
Mackenzie	
Maloney	
Mapledoram	
Monaghan	

Morin
Morningstar
Morrow
Murdoch
Noden
Parry
Phillips
Porter
Price
Pryde
Rankin
Roberts
Root
Rowntree
Sandercock
Scott
Spoonier
Stewart
Sutton
Thomas
(Elgin)
Thomas
(Oshawa)
Wardrope
Warrender
Whitney
Yaremko
—68

Motion agreed to; second reading of the bill.

HON. MR. FROST: Mr. Speaker, I move you do now leave the chair and the House resolve itself into committee of the whole.

House in committee of the whole; Mr. C. E. Janes in the chair.

INTEREST OF THE CROWN IN LANDS PLEDGED FOR PURPOSES OF BAIL

House in committee on Bill No. 51, An Act to protect the interest of the Crown in lands pledged for purposes of bail.

Sections 1 to 10, inclusive, agreed to.
Bill No. 51 reported.

THE CHANGE OF NAMES ACT

House in committee on Bill No. 52,
An Act to amend The Change of
Names Act.

Sections 1 to 3, inclusive, agreed to.

Bill No. 52 reported.

THE LOAN AND TRUST
CORPORATIONS ACT

House in committee on Bill No. 57,
An Act to amend The Loan and Trust
Corporations Act.

Sections 1 to 3, inclusive, agreed to.

Bill No. 57 reported.

THE CREDIT UNIONS ACT

House in committee on Bill No. 53,
An Act to amend The Credit Unions
Act, 1953.

Sections 1 to 3, inclusive, agreed to.

Bill No. 53 reported.

THE DESERTED WIVES' AND
CHILDREN'S MAINTENANCE
ACT

House in committee on Bill No. 54,
An Act to amend The Deserted Wives'
and Children's Maintenance Act.

Sections 1 to 6, inclusive, agreed to.

Bill No. 54 reported.

THE GENERAL SESSIONS ACT

House in committee on Bill No. 55,
An Act to amend The General Sessions
Act.

Sections 1 to 3, inclusive, agreed to.

Bill No. 55 reported.

THE JUDGES' ORDER
ENFORCEMENT ACT

House in committee on Bill No. 56,
An Act to amend The Judges' Order
Enforcement Act.

Sections 1 and 2 agreed to.

Bill No. 56 reported.

THE PROBATION ACT

House in committee on Bill No. 58,
An Act to amend The Probation Act.

Sections 1 and 2 agreed to.

Bill No. 58 reported.

THE REAL ESTATE AND
BUSINESS BROKERS' ACT

House in committee on Bill No. 59,
An Act to amend The Real Estate and
Business Brokers' Act.

Sections 1 to 10, inclusive, agreed to.

Bill No. 59 reported.

THE SURVIVORSHIP ACT

House in committee on Bill No. 60,
An Act to amend The Survivorship
Act.

Sections 1 to 3, inclusive, agreed to.

Bill No. 60 reported.

THE UNCLAIMED ARTICLES
ACT

House in committee on Bill No. 61,
An Act to amend The Unclaimed
Articles Act.

Sections 1 to 4, inclusive, agreed to.

Bill No. 61 reported.

THE INSURANCE ACT

House in committee on Bill No. 63,
An Act to amend The Insurance Act.

Sections 1 to 6, inclusive, agreed to.

HON. A. K. ROBERTS (Attorney-General): I would like to move an amendment to section 7: that section 7 of the bill be renumbered as section 7(1), and that the following be inserted as section 7(2):

(2) Section 211 of The Insurance Act, as amended by subsection 1, applies to every owner's policy and every driver's policy within the meaning of part VI of The Insurance Act that is written or renewed on or after May 1, 1957.

The purpose of that is not to interfere with the present policies until they come up for renewal.

Sections 7 to 10, inclusive, agreed to.

HON. MR. ROBERTS: On section 11, I would move that section 11 of the bill be struck out and the following substituted therefor:

11. (1) Section 7 comes into force on the day this Act receives Royal assent.

(2) Section 5, subsection 3 of section 6 and section 19 come into force on a day to be named by the Lieutenant-Governor by his proclamation.

Sections 11 and 12 agreed to.

Bill No. 74 reported.

Hon. Mr. Porter moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

MR. F. R. OLIVER (Leader of the Opposition): May I ask the hon. Minister whether the evening will be devoted entirely to budget debate?

HON. MR. PORTER: I understand there are a number of speakers ready to go on. However, if we find we have a little time towards the end we might do a little routine work.

MR. OLIVER: But the hon. Minister will start with the budget debate?

HON. MR. PORTER: Yes, we will start with the budget debate.

It being 6.00 of the clock the House took recess.

ERRATA

(March 5th-15th, inclusive)

<i>Page</i>	<i>Column</i>	<i>Line</i>	<i>Correction</i>
1179	1 2	48 to 4	Should read: "It would appear to the committee that, by a combination of fuel tax and a progressive increase in licence tax to take care of weight-groups, and to overcome any inequity that would develop with regard to fuel tax, we can apply the weight-distance principle with, I think, a two-tax structure which is simple to administer."
810	1	23	Change to read: "reading of Bill No. 93, 'An Act to'"
845	1	11	Change to read: "reading of Bill No. 103, 'An Act to'"



ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, March 20, 1957
Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Wednesday, March 20, 1957

Resumption of the debate on the budget, Mr. Belisle, Mr. Noden, Mr. Wardrope, Mr. Root, Mr. Whitney	1387
Highway Improvement Act, 1957, bill intituled, held	1419
Motion to adjourn, Mr. Porter, agreed to	1424

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

WEDNESDAY, MARCH 20, 1957

8 O'CLOCK P.M.

The House resumed.

THE BUDGET

MR. R. BELISLE (Nickel Belt): Mr. Speaker, in rising to participate in this debate, I too join with every hon. member to present to you my compliments and esteem for the manner in which you conduct your high office, and the impartial approach you make to all subjects gains for you our devotion.

I also wish to congratulate the hon. Provincial Treasurer (Mr. Porter) for presenting the budget. I believe it is the finest budget ever presented to a government in the history of this province, as it deals in large part with the welfare of every citizen in a most paternal manner.

Mr. Speaker, I have listened with interest and pleasure to all other hon. members who have preceded me in this session, and observed that many were very fortunate in having so much industrial assessment and so few problems in their ridings.

As I listened to these hon. gentlemen, the more positive I became that the government is administering the affairs of Ontario with great care and diligence.

And now, as I am about to relate the problems of my particular riding to this assembly, I would like to draw to the attention of hon. members that the great prosperity that is presently enjoyed in the southern part of this province is the result of the initiative, wealth and productivity of all the people.

It was with a great appreciation that I listened to my colleagues from the northern part of this province tell of the trials and tribulations they are experiencing relative to our municipal problems, which in my humble opinion deserve immediate recognition.

The rapid increase in population has caused a shortage of housing and school facilities. It has also made us realize our roads are no longer in condition to facilitate the traffic caused by this new growth. Also, the lack of industrial assessment has placed Sudbury and the Nickel Belt in a far different and more vulnerable position than most other parts of Ontario.

Hon. members possibly have read recently in the Canadian press where, it was stated on good authority, the Sudbury and Nickel Belt region is the fastest growing area in Canada. The figures revealed by the Dominion bureau of statistics stated the population of this section of the province has increased over one-third during the years between 1951 and 1955. The increase in population in 1956 and 1957 will exceed this figure.

All this growth has placed mining municipalities such as ours in a peculiar position, as far as taxation is concerned, in comparison with eastern and southern municipalities which have ample and sometimes huge industrial assessments.

It is an accepted fact that important concessions have been made to our municipalities in recent years. But they do not go far enough. Although the north continues to supply, year by year, the major part of Ontario's mineral wealth, the mining municipalities are not getting

adequate revenue from the industry whose employees they supply with municipal services.

I would recommend that this government immediately consider giving more assistance to Sudbury and the Nickel Belt. A better financial deal should be arranged, possibly through the medium of a re-classification of mines employees to include smelter and concentrator workers, entitling the municipality to additional mining revenue payments.

Please permit me to quote from an editorial in the *Sudbury Star* of a short time ago:

How many times has the emphasis been placed on the rapid growth in Sudbury and district? How many times has this newspaper put this forward as the reason that Sudbury and district needs more financial help from Queen's Park? How many times has it been argued through our editorial columns that Sudbury is different from the rest of the province, and deserves special consideration?

Our readers know that the *Sudbury Star* has been putting forward these arguments with a great deal of vigour in the past 5 or 6 years. Our readers also know that some of the arguments have met with a sympathetic reception at Queen's Park.

Queen's Park is going to have to face up to the fact that special consideration must be given to Sudbury and district, and that a better financial deal must be worked out, perhaps through a substantial slice of the mining tax.

Queen's Park must recognize the character of Sudbury and district, which is without the large taxpaying industries that relieve municipal burdens in southern Ontario. Queen's Park must recognize Sudbury and district as the fastest growing of Canada's secondary urban areas, and the accompanying problems of providing municipal services without the assistance of mining property taxation.

May I also recommend that this question could very well be studied by the hon. Minister of Municipal Affairs (Mr. Warrender), perhaps in consultation with the municipal advisory committee, which I am pleased is to be re-constituted shortly.

Mr. Speaker, I would like to bring to your attention another rather contentious subject that is causing great concern to the constituents of my riding. This subject is that of amalgamation, or annexation, of the city of Sudbury and the neighbouring municipalities.

I would like to express my opinion in this House that I am against any form of amalgamation or annexation beyond the present borders of McKim township and Sudbury city.

The reason presented by those interested in this change of municipal boundaries was to protect the watershed of Lake Ramsey from pollution, and maintain an adequate water supply for the city and McKim township.

However, the water supply can be controlled without amalgamation or annexation, particularly since we now have the Ontario water resources commission to govern this field properly. Related problems of water supply, pollution and disposal of waste can be properly handled at present.

An interesting item headed "Let's Annex the Province" appeared in the press, and I quote:

Why doesn't Sudbury just put in an application to the Ontario municipal board to annex southern Ontario? It is just as feasible as trying to extend the city's boundaries to include Coniston and Blezard valley.

The simple application with limited defined boundaries is all that is necessary to shift the provincial machinery into gear. The Ontario municipal board is quite capable of laying out the boundaries most advantageous to Sudbury and adjoining municipalities. It has acted in this manner with other communities, and they appear to have worked out very well.

The passing of time since Sudbury submitted its original application has proved one thing. It is that there is little relationship between that which is advantageous for "outside" municipalities and what is best for Sudbury.

All municipalities, school boards, and the great majority of citizens are opposed to amalgamation. The "amalgamation question", as it is now called, revolves largely around the problem of securing new sources of municipal taxation. It is no secret that Sudbury's interest is in obtaining more revenue to ease the tax burden of its citizens, and finance further essential public works in that city.

Knowing that the municipal board will hear submissions, I am pleased to know that a board meeting on this subject will be held in Sudbury early in May, at which time all citizens of Sudbury district will be given ample opportunity to express their views on this very important matter.

I would like to return to the discussion of special attention for mining municipalities in northern Ontario, the situation being they do not have taxable industries in comparison to other municipalities. Coupled with the fact the majority of their population is employed in the mines, which return no direct revenue to the municipalities, this proves very embarrassing.

Another point is the high cost of providing services, such as blasting rock to make way for water and sewer mains. These are some of the extra costs of administering a mining municipality.

In summarizing this situation, I must say that these municipalities are in the identical position as is the province with the federal government. That is, they are producing great wealth for the province at large without having their full taxing powers, thereby not having sufficient finances to administer the services caused largely by that particular type of industry.

I was very pleased to see that the final report of the select committee on air pollution and smoke control has been tabled in this House. It is interesting to read that its conclusion states that "air pollution is everybody's business." In the riding that I have the honour to represent, smoke control has been widely discussed, and is considered a highly complex problem. I sincerely hope that, if and when adequate control is accomplished, air pollution will be eliminated in my riding.

I would humbly suggest to the hon. Prime Minister (Mr. Frost) and the government, that, when they form the commission, serious thought will be given to the appointment of a person from the Nickel Belt, who is familiar with agriculture, smelting problems, and the serious effects of air pollution and the proper remedies to be found today.

At this time, I would like to compliment the hon. Minister of Highways (Mr. Allan) for the efficient manner in which he is carrying out a programme of creating fine roads for the motorists of Ontario.

Also, may I congratulate his Deputy Minister on his appointment to a very important position, involving heavy responsibilities. It is my understanding his appointment was based on long service, vast experience and engineering ability, which confirms the principle of promotion within the department.

The hon. Minister of Highways has made great progress and a valuable contribution to the cause of better motoring in this province. His gentle demeanour, his human approach, and his continuous courtesy have won for him the great respect of all. His long experience with municipal roads provided a wealth of knowledge to equip him suitably for his present important position.

When the trans-Canada highway is completed, and it will be completed on schedule in Ontario, the northern section through Chapleau should be called the "Allan" highway in tribute to this outstanding person, comparable in this respect to the "Ferguson highway."

In my riding, we are very pleased with the work that has commenced on our much needed roads and highways, and it was with pleasure I noted in the budget that northern Ontario was to get additional grants. We appreciate that the southern areas have traffic problems also, and we know the needs for new and better roads are great.

I am confident that the hon. Minister of Highways is doing a good job, and that he will use every available means, so that every hon. member's constituency will share in the very important building programme.

There are many roads in my riding that certainly need attention. The construction and maintenance of these roads can be of great advantage to our farmers, settlers, lumber and mining industries, and the tourist industry. I might name a few:

The Hagar to Noelville highway should be given consideration as to a programme of granular base and mulch. The Long Lake road is in immediate need of attention, also the old highway No. 17, the highway to the airport, the Thessalon to Chapleau road, and the Foleyet highway.

Mr. Speaker, the continued good work engaged in by the hon. Ministers of the government is being emphasized by the hon. Ministers of Lands and Forests (Mr. Mapledoram), Public Works (Mr. Griesinger), and Reform Institutions (Mr. Foote).

And in conclusion, Mr. Speaker, my address would be incomplete if I did not present a word of appreciation to the hon. Minister of Education (Mr. Dunlop) for his geniality and kindness, and for his keen interest and service to my riding and its constituents.

MR. W. G. NODEN (Rainy River): Mr. Speaker, on this occasion I want to extend my good wishes to you and your Deputy upon the honourable manner in which you have conducted the affairs of this legislative chamber. It would appear there will be considerable timber fall tonight.

When speaking on the budget, I do so mostly as it pertains to northwestern Ontario, and also intend to tread on grounds which are not too sure.

First, I want to make reference to The Archaeological and Historical Sites Act when it was first passed and dealt with under The Department of Education.

The district of Rainy River has immense historical lore, being the main travelled waterway between eastern and western Canada. The early voyagers and explorers travelled from Montreal to Prince Arthur Landing, then to Grand Portage, Rainy Lake, Lake of the Woods, and on to all parts of western Canada.

There were several routes between the Lakehead—meaning Port Arthur and Fort William—and western Canada.

The route first travelled was by way of Grand Portage, following the water route which is now the international boundary, then the more familiar one called the Dawson trail, which traversed Quetico provincial park. This was the road over which Lord Woolsey moved his troops and equipment to quell the Riel rebellion. During this time, many forts were built, and, under the present Act, it will be possible to mark and erect cairns for posterity.

I was interested in the statement of the hon. member for Muskoka (Mr. Boyer) when he referred to the first historical marker being unveiled by our hon. Prime Minister (Mr. Frost) last summer in his area. Possibly this was the first one in Muskoka.

When the present Act was passed, April 2, 1953, with the assistance of the hon. Minister of Education (Mr. Dunlop), a request was submitted to have a plaque to mark Fort Lac la Pluie, or Rainy Lake House. This was to commemorate the establishment of Athabaska House, the depot where, due to the distance to be covered during the short travelling season, the people of Montreal met those from the Athabaska country and exchanged trading with them—that is, furs and trade goods—so that each

group would arrive back at headquarters before winter set in. This fort was erected by the North West Company somewhere between 1775 and 1793, and abandoned in 1821 at the union with the Hudson's Bay Company.

After considerable delay the plaque arrived and on July 27, 1956, the hon. Minister of Travel and Publicity (Mr. Cathcart), under whose department The Archaeological and Historical Sites Act now functions, visited Fort Frances and unveiled this historical marker on the banks of Rainy River, this being the first historical marker to be placed in the Rainy River district.

The hon. Prime Minister who is known for his historical knowledge as well as good government, can rest assured there can be no excuse for not having the places of historical interest marked for future generations.

I observe a notice of motion is proposed to be brought before this assembly to provide funds for higher education beyond elementary school.

I would like to draw to the attention of the House that such a fund has been set up by a private citizen of the Rainy River district, Mr. J. A. Mathieu, a former member of this Legislature, one who wore his hat while occupying one of these seats, and a noted lumberman, a past president of the White Pine Association of North America, now 87 years of age and planning his business ahead for another 25 years.

This fund has been set up in trust, administered by a group of local citizens, to provide funds to students who are desirous of securing university training; the money to be repaid by the students when they are able to earn, on the basis of one per cent.

Many boys and girls are taking advantage of this opportunity and to date, I am told, not \$1 has been unpaid.

The reason for bringing this to the attention of hon. members today is that we are looking to the government to do this kind of service. It would be far better if a sufficient number of our

citizens throughout the province could be interested in providing similar educational trust funds, administered by individual groups throughout the province.

The benefits to our youth would have a greater meaning, instead of having the money provided by the province, and to a great extent, taken for granted. Coming under the private citizen plan creates a greater responsibility within the student, and, at the same time, the local citizens who compose the board have also a direct interest, thereby instilling responsibility and initiative in our future citizens of the province.

I might bring to the attention of this assembly that the Kiwanis Service Club of Fort Frances has created a fund called "anonymous donors' fund", offering local residents an opportunity to provide funds for assisting students who are desirous of higher education. This is another effort by individual organizations to assist our young people to acquire the higher education which is needed today.

In northwestern Ontario, the vision of individuals has created the mining industry, such as Steep Rock Iron Mines, producing during 1956 some 3.3 million tons of iron ore, giving employment to over 1,000 people, and creating a community that now exceeds 6,000.

In the same area, Caland Ore has a development programme costing in the neighbourhood of \$60 million. When completed in 1960, that community should have a population of 20,000, with a capital investment of more than \$100 million.

That is the result of the natural resources of minerals, and the vision of private citizens in doing something about it. This past year it will have funnelled into the treasury approximately \$1 million.

Let me point out, Mr. Speaker, how this great iron ore mine came about. It was known over 60 years ago that iron ore existed in the Steep Rock Lake area, but was not located until around 1930, when Mr. Julian Cross, with a few helpers, diamond drilled on the ice. Sometimes the temperature got as low

as 50 below. Nevertheless, working under those conditions, the ore body was located.

Up to this time many prospectors were grubstaked, not by government assistance, but by the people who lived in that part of northwestern Ontario who had continued faith in the natural resources. It was around 1943 when the real development began, and today there is an investment of \$50 million. Ten years ago there were 300 employees, now there are over 1,000.

Might I also point out that this great mine, after paying the mine tax, is now building another shaft at a cost of some \$12 million, which is nearly equal to their net profit. In turn this will provide future employment to our citizens, as well as create more wealth for the treasury of the province.

The Ontario and Minnesota Pulp and Paper Company have expanded their investment by \$20 million in the last two years, thereby creating further employment to the people in that area.

It might be of interest to know the amount of wood that is required to supply this one mill at Fort Frances, for the year 1956, amounts to 162,000 cords of different species.

This situation is taking place in many other areas, and I am sure the people of the province of Ontario are willing to invest their savings in both government and private enterprise when it is based on a sound policy.

Today we are being taxed to too great an extent. If we let voluntary private enterprise spend this money, the country will advance on a sounder basis.

I want to commend the hon. Minister of Highways (Mr. Allan) for the long-term road building programme upon which his department has entered. Large as it is, it is not beyond the ability of the government to undertake and complete.

There is criticism as to the length of time of building, but it would appear

the manufacturers are making cars faster than the roads can be built. This has been proved without doubt today.

When we look at the programme that is under way today — highway No. 401, from Windsor to Montreal, trans-Canada from one end of Ontario to the other, Burlington bridge, and, finally, the Atikokan to Fort Frances highway, having a causeway about 3.2 miles long, a major undertaking in itself—what is this going to do to help Ontario?

It will keep the wheels of commerce on the go, open up new territory for development and expansion.

This northwestern road building programme will have a definite result, making it possible for the people of Ontario to visit and enjoy the second largest park, Quetico, and all of the northwest.

The hon. Minister of Lands and Forests (Mr. Mapledoram) is to be commended for the development programme that is now taking place at the park entrance, where buildings are being erected and grounds are being set out to take care of the trailers, tenting, parking of cars and boats — all this for the convenience of the public.

This is a people's park in a wilderness area, where boating, fishing and the desire to enjoy the great outdoors may be found — nature in its unspoiled state.

I want to bring to the attention of hon. members that our people are very much interested in this provincial park, Quetico, but there are others who are to be commended for their great interest. Only today I received a book entitled *The Indians of Quetico*, sponsored by the Quetico foundation, which represents prominent citizens throughout Ontario. This is the first of a series of books on Quetico which will help in acquainting the people of Canada with the wonderful heritage we have.

During the past year, 12,760 people visited Quetico park; of this group approximately 9,000 from the United States and some 2,500 Boy Scouts

were among those who visited the park headquarters.

For the information of hon. members, Quetico park has a total area of 1,800 square miles, a water area of 395 square miles, the international boundary comprises 86 miles, and the distance around the park is 225 miles.

This park will become accessible to the people in southern Ontario upon the completion of the trans-Canada highway in the near future. It is there waiting to be used, where the big fish will tax one's skill in landing. Ask any hon. member of the toll road committee who visited there during the past year.

This past week, there was caught a great northern pike measuring 46 inches long, weighing 30 pounds, and having a 21-inch girth behind the gills—another sample of the immense size of fish caught in this area.

Mr. Speaker, during the Throne debate speeches I have listened with interest to the many versions of the federal-provincial agreement, with hon. members trying to get a look at the hon. Treasurer's bank account.

After listening to the terms of the dollar in millions, \$1,000 to be given to every newly wed couple to build a home, and finally the opposition trying to justify the federal government's manner of dealing with the proposed agreement between the two levels of government, my own thinking of the lowly dollar, which exists in my pocket at times, and how it is divided, creates confusion.

I am sure the average man on the street today, who has something to bargain for, will look for the best deal, no matter who he is, and that principle applies to governments of all levels. Therefore, the government has certain taxing rights under The British North America Act, and if the federal government does not want to come to our terms or near them, then there should be no business deal, but we should carry on with what we have.

That is the average citizen's thinking, not only in the past, but today. Just plain common horse sense.

Tight money, which is being bandied about today, was caused by the Bank of Canada becoming alarmed at the amount of credit being extended by the different financial houses in Canada.

In the first place, if the federal government at Ottawa, after the last war, had retained 20 per cent. or 25 per cent. down payment on the major appliances that are sold through the retail outlets in Canada, this situation might not have given them the concern it is today. Even so, under the present sales policy of the retail outlets that now exists to a great extent — no down payments, and when you can catch up to the dollar finally, long-winded terms.

This selling method has created an expanded economy in business today, which has been good for labour and business in general. My own experience as a small-town merchant, selling on the time sale plan of today, has been that of good business with a minimum of loss through re-possession. This is the accepted business method, which has required vast amounts of money for investment by all the financial houses.

Why should the Bank of Canada become concerned when this policy was created by the government at Ottawa? The gold standard has fallen by the wayside, and our sister nation to the south has thrown the balanced budget out of the window.

There is just as much money today as there ever has been. So why should the Bank of Canada have created the tight money situation by increasing the interest rate? Now what has happened—and it is only natural — money is demanding higher interest rates; not that there is a shortage, but the idea has been put into the minds of the people.

There is only one way of creating more money, and that is by capital investment in the natural resources of the province.

Private capital today is desirous of investment, whether it be in homes,

office buildings, factories or farms, knowing it is a secure investment for a long-time pull. The government should have that same outlook in the building of highways, provincial parks, Ontario hospitals, hydro, and the water resources commission. Any money expended by the government today should be based on that long-term investment outlook, because it is going to serve the people, not only for today, but for tomorrow.

In the most westerly part of the province, and in the Rainy River district, is the finest farming land, comparable to any other part of the province. This area is about 70 miles long by 20 miles deep. The approximate number of farms under cultivation is between 1,500 and 1,600, and there is a considerable area throughout the district that is adaptable to agricultural production. It could be conservatively estimated that another 30,000 to 35,000 acres could be added or brought into use in the future.

Our problem is a closer market. The completion of the Fort Frances to Atikokan highway will help to solve some of this problem by bringing our agricultural area closer to large centres of population as Atikokan, Port Arthur, and Fort William.

Another industry that has a very important bearing on the economy of northwestern Ontario is the tourist industry, with an investment of \$80 million, doing some \$260 million worth of business. We are in a favourable position because, to the south of the border within one day's drive, there are between 40 to 50 million people, with 4 highways leading to the border points of Pigeon River, Fort Frances and Rainy River.

In northwestern Ontario, we have one of the better known vacationlands on the North American continent, where exist the beauties of forests, lakes and streams, which today is supporting an industry that has shown what can be done by individual initiative.

The Department of Travel and Publicity shows by their records that last year, 68,084 tourists entered north-

western Ontario, and 54,728 registered at the reception centres. The hon. Minister of this department can feel very proud of the goodwill that is being accomplished by the receptionists at these border points.

Might I also mention that the spending of the taxpayers' money on good advertising is justified, whether it be in newspapers, radio, magazines—and at this point we have the *Northern Sportsman*, the one magazine of its kind doing just that kind of a job—or with Sportsmen's Shows at the larger centres in the United States.

The chamber of commerce and camp operators are spending money of their own by displaying, at these outdoor shows at Chicago, St. Louis and other cities, what we have to offer to our United States citizens.

When you can pick up any of the Canadian daily papers and see where our southern friends are using two and three pages, sometimes whole sections, it must pay, for we are told that Canadians, with a population of 16 million, are spending more money in the United States than Americans, with a population of 170 million, are spending here. Therefore, the hon. Provincial Treasurer (Mr. Porter) should allocate a larger amount to The Department of Travel and Publicity for this purpose.

The budget as submitted to the House by the hon. Provincial Treasurer of the province, sponsored by the government under the capable leadership of the hon. Prime Minister, is one that is taking into consideration both the needs of the people of the municipalities and the expanding requirements of the province of Ontario. I am sure this province is not trying to create tighter money, because it is moving ahead with the times as it is set out in the budget.

Tight money, as created by the federal government, however, does more than curb business expansion. It is retarding essential provincial and municipal work programmes.

There is no shortage of consumer goods and automobiles; but if the credit

squeeze continues, then it is going to affect the consumers' buying. There is a danger in trying to slow down business investment in capital expenditures. It will curtail our whole economy.

In the development of Ontario, as I have said before, industrial potential can best be achieved through the voluntary initiative of private industry. This is very evident in northwestern Ontario in the last few years, where communities such as Atikokan and Manitowadge are bursting their seams in a programme of building homes, schools, churches, and all the necessary facilities that create good living for the people.

All this has been made possible by the natural resources of private individuals with vision and fortitude, and the help and encouragement that the government has rendered.

MR. G. C. WARDROPE (Port Arthur): Mr. Speaker, I am certainly very pleased to see this great reception given me by the hon. members of the opposition, because I am afraid that before I am through probably they will not be so ready to applaud what I am going to say, even though deep down in their hearts they know it to be true.

My congratulations are extended to the hon. Provincial Treasurer (Mr. Porter) on his presentation of a budget which is an important landmark in the history of this great province. It is a revealing document, in that it is a comprehensive and entirely readable record of accomplishment on a major scale, indeed on a scale which would have been unthinkable only a few years ago.

The budget, I suggest, goes a long way in making crystal clear the enormous responsibilities which face not alone the government of this province, but also the governments of its constituent municipalities.

The provisions made in respect of schools, of highways, roads and streets, of hospitals and affiliated institutions, of education and of a whole multitude of other facilities, are not only realistic but they evidence the consideration

which must be given to urgent problems of a most pressing nature.

Provisions for added aid in the general field of welfare, of human betterment, are entirely consistent with the humanitarian record of this administration. The modern democratic state exists in an age in which there is demanded an increasing state concern for the welfare of such of our people whose means are not ample to meet temporary or permanent emergency.

There is evidenced an awareness of the pressing needs of our 975 municipal governments, and numerous practical measures are advanced to help meet these needs, as the hon. Provincial Treasurer so well laid out, and which the opposition, deep in their hearts, believe, but will not go along with.

It is, I think, worthy of special commendation that it is proposed that vast sums be provided in aid of education, one of our most costly yet basic necessities.

Without going into detail at this moment, I might say that it is obvious that this government, and our municipal governments as well, must have greater revenues if they are to meet their obligations. For instance, Ontario's population has increased by 1.5 million people within the last dozen years.

I scarcely need add that such an increase in population automatically increases the demands for the services which are supplied, not by Ottawa, but by the two lesser levels of government. On top of this, inflation adds to the problem.

It follows that we must adopt one of 3 alternatives.

The first is to neglect supplying essential facilities, one effect of which would be to hamstring our development in large degree. This course, this government suggests, has nothing to commend itself.

This is what the opposition thinks is its own affair.

The second alternative is to get a better tax deal from Ottawa. But Ottawa, apparently, is in no mood to listen

to the voice of the province from which is drawn one-half of its enormous revenues.

The third alternative is to increase provincial taxation, and this is what reluctantly has to be done.

For years we have avoided a provincial sales tax although many other provinces have not; in the main we have avoided nuisance taxes; in a word we have maintained a fair and moderate system of provincial taxation.

We have been able to add about 50 cents to each \$1 raised municipally, thus helping local governments, and indeed we have been able to turn back about 40 per cent. of our total revenues to the municipal administrations, a feat which was never accomplished prior to this government taking office.

Now I suggest it is not difficult to see why our taxes, provincially and municipally, are on the upgrade. Actually, the question is not at all one of tax sources or of taxation rates. The basic problem lies in a proper distribution of the tax dollar.

We need two things; the elimination of waste and extravagance at Ottawa, and a reasonable, sensible redistribution of governmental income. I cannot tell this House very much about what is going on at Ottawa.

SOME HON. MEMBERS: Of course he cannot.

MR. WARDROPE: Would some of the hon. back-benchers show the courtesy to me which the hon. Prime Minister shows to them? I have reached mature age, and I have been brought up to respect people in authority and those who have a greater number of years than I. Sometimes I sit in this House amazed to see the hon. Prime Minister, who has been elected overwhelmingly, election after election by the people of this province, told that he distorts the truth, and told other things that are absolutely rude when he, in his turn, gives every consideration to the hon. members of the opposition.

I am pleased I was not brought up in that way, and I hope I will never behave that way in future.

Certain federal departments, notably The Department of National Defence, operate behind an iron curtain. But certain symptoms may be discerned, and a few of them are worthy of mention.

The other day—February 22nd, to be specific—I noticed in the Toronto papers an advertisement featuring the name and picture of hon. Charles J. Henry, the affable young representative of the federal riding of Toronto-Rosedale. It seems that on the evening of the 22nd, young hon. Mr. Henry was speaking on the subject of "The Nation's Business." More specifically, the title of his address was "Why Change? The Best is Yet to Come." And, considering the personality of the speaker, I thought the title a very apt one, indeed. I had thought the young hon. Liberal from Rosedale "had never had it so good," to use a vulgarism.

For example, on January 17th, the leading papers carried a report indicating that hon. Mr. Henry had mailed to his constituents a 7 by 10 inch folder carrying his belated New Year's wishes, and instancing certain public works the federal government is said to have in mind for his riding.

Now, there is nothing new in sending out New Year's greetings, but mixing them up with Liberal propaganda presents a new kind of dish.

They were not mailed out in the usual way — from home or office. The mailing was delayed until Parliament convened, and as everybody knows, when the House or the Commons are in session the members are permitted to frank their mail.

Now at the time of the last federal general election in 1953, I noted there were 36,181 names on the voters' lists for Rosedale, and I must suppose that the affable hon. member for Rosedale would not like to miss even one of them. Thus, by using his franking privilege, it would seem he saved some \$1,500 in postage. I am assuming that the ordinary individual would post such

missives from his home address, using first class mail in the best Emily Post tradition.

Apparently this mailing was a package deal, for a Toronto *Telegram* editorial says an address of hon. Mr. Henry's of November last was included, an address nobody heard because the faithful were lined up watching television and waiting for food.

However, \$1,500 is a nice little saving at the cost of the taxpayer. Perhaps the stenographic help provided by the Great White Father at Ottawa also made a contribution in getting the propaganda cargo under way. The amount is not large by the standards of today; nonetheless it is symptomatic; I want hon. members to remember that word "symptomatic." And, nonetheless it violates that principle related to honesty and decency in public life. As the Toronto *Daily Star* remarked editorially, "The practice is, nevertheless, wrong in principle, and not to be condoned."

However, the Rosedale M.P. says: "The Best is Yet to Come."

The hon. member for Rosedale was not the only Liberal M.P. to abuse his franking privileges. On January 17th, hon. Frank A. Enfield wrote his constituents on House of Commons letter paper — I am just telling hon. members what I read in the paper — inviting a selected list to come to what turned out to be his own nominating convention. Hon. Mr. Enfield is the bright and ambitious lawyer who represents York-Scarborough. He used a franked envelope — House of Commons paper, Arms of Canada crest and all the rest. He claimed that not all the invitations were franked out of Ottawa—just some of them. The Ottawa *Journal* declares that the Rt. hon. Prime Minister of Canada (Mr. St. Laurent) could well stop this filching from the post office.

I have no doubt that hon. Mr. Frank Enfield, M.P., heartily echoes the sentiment of hon. Charles J. Henry, M.P., when the latter declares for the edification of a breathless audience that "The Best is Yet to Come."

But I don't think their constituents will approve of these violations of accepted standards of public trust, nor do I think there will be much appeal to the over-burdened and underpaid postmen as they trudge the daily round. In terms of money, these matters are not serious; nonetheless, again I say, they are symptomatic.

Then I turn to The Department of National Defence, smuggled in behind the iron curtain of secrecy. A report appeared in the *Globe and Mail* of January 31st that \$122 million had been spent to develop the CF-100 airplane. This type of plane costs more than \$700,000 each. But, as Mr. Henry so aptly remarked, "The Best is Yet to Come."

According to the same report, \$200 million has been spent in developing the new CF-105, and this is not the final estimate. It was initially estimated the cost of development would be \$100 million. If, as and when this little number is produced on an assembly line basis, it will be ticketed at upwards of \$2 million apiece. Let hon. members please remember the figure — upwards of \$200 million on development — and production is scheduled to begin between March and midsummer, 1958 — still over a year away.

As a layman without pretending any special knowledge of the subject, is it not elementary that the United States, Great Britain, West Germany and France, with their great technical know-how as to weapons manufacture, would have pooled their knowledge in developing the best in modern plane manufacture? Must we be all on our own? Have we this kind of money to spend on an item of this kind?

MR. R. WHICHER (Bruce): That is the point I am making. Is the hon. member suggesting that West Germany knows more about them than we do?

MR. WARDROPE: I am not suggesting they know more. I am suggesting they are better able financially and population-wise than we are.

MR. D. C. MacDONALD (York South): Is the hon. member attacking Rt. hon. C. D. Howe?

MR. OLIVER: That is the opening gun.

MR. WARDROPE: I am justifying the Ontario budget and giving the reason for us having to increase some of our taxes. If we had got a better deal from Ottawa, we would not have had any new taxes in this province. Let hon. members not forget, these expenditures I am talking about are expended with our Ontario citizens' money, going to Ottawa and not coming back here.

MR. WHICHER: Very small point.

MR. WARDROPE: Well, it is about a \$536 million surplus point to start off with.

Surely we must remember that we are a nation of but 16 million people, spread over an area larger than the United States, with its 170 million population and its immense concentration of wealth. I do not think for a minute, in the light of all existing circumstances, that we can afford this type of money — nor do I think we need to afford it in the light of aircraft manufacture and development among the other nations of the NATO group.

MR. WHICHER: The hon. member had better go to Ottawa and tell them about it.

MR. WARDROPE: They will read about it.

When I speak of airplane development, I am speaking in relation to the use of public funds in a manner that not alone is symptomatic but of great magnitude.

Now let hon. members consider the case of the aircraft carrier *Magnificent*. The Queen's Own Regiment was flown from Edmonton to Halifax. The carrier, the "Maggie," was stripped of

armament preparatory to taking the Queen's Own to Egypt. Dictator Nasser stepped in. As usual, he hires his own policeman on the beat. The Queen's Own went back to Edmonton. The "Maggie" sailed for Egypt with a cargo of typewriters and related items. She came back to Halifax. The 1,000 beds welded in place are doubtless being torn out, her armament replaced, and presently she will go back to Britain from whom she was borrowed. And so another few millions of our taxpayers' money goes down the drain.

Then we come to another department, the embassies. Some folks regard these as the boys with the striped pants, the morning coats, the top hats, the gray spats, who, cocktail glass in hand, hold the fort in 45 foreign countries, likewise at NATO and also the United Nations.

Far be it from me to deny that they have their proper places.

There are 96 embassy employees in Great Britain alone. Our French embassy costs \$728,356 with its staff of 59. Down in Uruguay there is a staff of 5 costing \$41,398. The high man on the totem pole in a big embassy draws \$13,500 a year, but he also draws about \$25,000 a year in allowances.

I am not going into the detail of this establishment. Suffice it to say that our foreign service cost \$44 million a couple of years ago; next year it will cost \$58 million.

I am not going to labour the point, but I fancy a deal could be made with Britain to represent us in many of the smaller countries and with a marked saving to us and Britain.

I forgot to mention that this department employs 2,000 people in foreign countries, including stenographers, gardeners, chauffeurs, and so on. Last year the department spent \$82,000 at General Motors and \$23,000 at Ford — just another symptom of what I call the Ottawa disease.

MR. MacDONALD: What has this to do with the Ontario budget?

MR. WARDROPE: I will get to the reasons for our taxes being raised.

Then consider the *William Carson*, the Dominion government ferry to ply between North Sydney, N.S. and Port Aux Basques in Newfoundland.

This ferry was to cost about \$7 million; harbour improvements at Port Aux Basques were to cost \$3 million. What happened? They altered the Port Aux Basques harbour and the alterations ruined the harbour. Up to date, this project has cost the Canadian taxpayer \$21,760,000. It is costing \$435,000 a year to keep the boat running — not as a ferry but as a freighter — and nobody knows when a suitable harbour will be available to put this white elephant into passenger service. Here the waste is both serious and highly symptomatic.

But the trans-Canada gas line is in a class by itself. I am sure that hon. member of Parliament, Charles J. Henry, had in mind Nathan E. Tanner, president, and Charles Coates, vice-president and general manager of trans-Canada when he declared, "The Best is Yet to Come." These able and amiable gentlemen make Horatio Alger look like a nickel and dime operator.

Nobody is going to argue against the importation of western gas into Ontario. But it was not necessary to handcuff Parliament and to muzzle free speech to launch the project. This outrage on Parliament and on democracy is a blot on the Ottawa administration. Here is where we come to Tanner and Coates, whom the hon. member for York South loves so much.

The former was born in Salt Lake City, Utah, where the gulls once saved the settlers by eating the grasshoppers. According to hon. Jack Pickersgill, Minister of Citizenship and Immigration, this makes him a second class citizen. However, he turned up in the Alberta Legislature in 1935 as a follower of the late "Bible Bill" Aberhart. He became Speaker of the House, later hon. Minister of Lands and Forests and hon. Minister of Mines and Min-

erals. Still later he turned up as head of trans-Canada.

It was many months later that things were smoked out in Parliament. It turned out that, along with the more conventional emoluments, Mr. Tanner received an option on 55,000 shares of trans-Canada stock. Mr. Coates had to be content with 50,000 shares. In each instance the price was the same, \$8 a share and this stock today is quoted at better than \$23 a share. This means a neat profit of nearly \$1 million each for Messrs. Tanner and Coates, and apparently only a fraction is taxable.

As Messrs. Tanner and Coates contemplate the sale of this stock, they may well remark with Charles J. Henry, M.P., "The Best is Yet to Come."

Now I have mentioned a few items symptomatic — I use the word again Mr. Speaker — of what is going on at Ottawa.

Let me mention another: On February 22nd, the local papers reported an Ottawa surplus of \$536 million — this for 10 months — representing over-taxation of the Canadian people to the extent of half a billion dollars and more.

Then we come to another Alice-in-Wonderland episode in Ottawa. Oil-rich Alberta is about to distribute \$11 million among some 500,000 of its people, this being a part of the provincial oil royalties.

Now I commend the Dominion government for that, but at the same time, Ottawa classes Alberta as a "have-not" province and as such entitled to \$18.7 million as an equalization payment, in Ottawa's tax-split proposals.

I like to see provinces as well as people get along well in the world, but I suggest that Alberta needs an equalization payment about as much as the House of Morgan needs a dime for a cup of coffee.

I have mentioned the unfair and unrealistic division of the Canadian tax dollar — about 80 cents to Ottawa, 20 cents to be divided between province and municipality.

We get little, very little, information out of Ottawa.

MR. WHICHER. The hon. member seems to have plenty tonight.

MR. WARDROPE: The able special correspondent of the Toronto *Daily Star* described Parliament the other day as being like a fine and exclusive club. That was not why Parliament was founded by our forefathers.

If I have laboured unduly about a few selected items on the federal agenda, I have but tried to bring them before this House as the symptoms of a deep-seated disease which can be defined as "squandermania." We see at Ottawa the degradation of Parliament. We see the destruction of the democratic process. We see taxation on a war-time scale, and this 10 years after the conclusion of war.

We see these many evils which have crept in, and therein we see why we are faced with two dangers.

One lies, as I said, in the neglect of vital facilities and services. On the other hand there is the grave danger that the provinces and the municipalities will be forced into most oppressive taxation measures.

We have, as I have said, 16 million people, spread over an area greater than that of the United States with its 170 million population. Without disparaging Canada's honourable and respected position in the international sphere, I scarcely need say that we are not a world power. In the very nature of things our military establishment must remain a small one as we compare it with that of such nations as the United States. The quality of our fighting men has been proven in two world wars. There is no argument on that point. I have dealt with symptoms which seem to point the way to the Ottawa viewpoint, and to put it bluntly, I suggest that Ottawa in the field of world politics is getting too big for its boots.

This nation was launched 90 years ago as a federal system, a union of prov-

inces, but we have departed a long way from the concept of Confederation. It is all too obvious that Ottawa consistently seeks to establish a federal dictatorship; it conceives the provinces as a group of dependent and satellite states. It has little or no concern with the facilities on which our growth depends. The policy of divide and conquer, of setting province against province, has served the government of this nation very well, but there must be a day of reckoning.

In the United States, as has been remarked before in this House, the federal government has recently launched the biggest highways programme in history. Congress has appropriated \$36 billion in aid of a 40,000-mile network of interstate highways. Has Ottawa made any move to be compared with this? Certainly their aid to the trans-Canada cannot be compared in any way with this mammoth programme.

So I suggest that it is time that Ottawa got its head out of the clouds, got its feet on the ground, and became aware of its responsibilities in fields which touch the real welfare of our own people here in Canada and "Old Man Ontario."

I suggest this. If Ottawa possessed the same awareness of the responsibilities of this and other provincial governments as do the provinces in relation to the municipalities, there would be no serious problems of finance affecting this nation and its components.

We have heard some objections in this House respecting the tax changes included in the budget presentation. The protests, to me, have a hollow ring.

Under proposed legislation the province will receive from the Dominion 10 per cent. of the personal income tax collected from Ontario residents. This is estimated to give \$63 million for the 1957-1958 fiscal year. Or put it another way: Out of \$630 million taken from individuals in Ontario, Ottawa keeps \$577 million and hands back only \$63

million — surely not a realistic nor a generous deal.

The provincial corporations tax is to be fixed at 11 per cent. — not enough, according to the hon. member for York South if I sensed his thoughts correctly. Just let me say this. The governmental take, federal and provincial, from corporation profits will approach 50 per cent. A company makes \$1, of this, 50 cents goes for corporation tax and this does not include municipal taxes. Let hon. members think that over.

Some of our corporations such as the Bell Telephone Company, the banks, the Canadian Pacific Railway and hundreds of others are essentially the property of scores of thousands of shareholders in this country. In the main they are an avenue of investment for the savings of uncounted thousands of our people. These shareholders, and I am thinking particularly of the small shareholders, are entitled to reasonable consideration. Today's inflation is hard enough on people with fixed incomes without having the income impaired to the vanishing point by oppressive taxation.

It is a part of socialist propaganda to paint all corporations as greedy monopolists—we have heard it in this House—and in a degree this may have been true 50 years ago, but scarcely today. I recall that a few years ago the socialist leader in this House announced as part of his programme the nationalization of the breweries. Why, I don't know. I don't recall that he explained.

But on Monday, March 4th, the hon. member for York South in a television presentation galloped away from these earlier proposals and demanded instead the nationalization of the Bell Telephone Company. Why he should pick on one of the best-managed corporations in the whole world, a company which is a model in its public relations, and which is universally regarded as one of Canada's best employers, is something hard indeed to understand.

As to the increase in gasoline tax, we get back to the question of facilities.

In many forms they must be provided and certain highways, roads and streets are high on the list as to importance. The two cent addition here is estimated to raise an additional \$20 million. With 1.7 million motor vehicles on the highways, plus scores of thousands of vehicles of foreign registry, the cost to the individual of this extra tax is by no means great. It may be that the cost of highway construction and maintenance will be met at some future time by some revised system of taxation, but in the light of all the existing circumstances I think there will be little reasonable objection to the new impost.

One thing I am getting a great kick out of is that two cent gasoline tax. I believe all the gas used in the planes in Trans-Canada Air Lines can be taxed. Am I right?

HON. MR. PORTER: Yes.

MR. WARDROPE: The hon. Leader of the Opposition (Mr. Oliver) has lately been demanding production of a 20-year plan of highway construction and development. I gather that the hon. Minister of Highways (Mr. Allan) will be in a position shortly to satisfy the curiosity of the hon. Leader of the Opposition on this point. However, I would venture to suggest that prophecy in these days is a risky occupation. There are none of us who have much idea as to what will be happening, either 20 years hence or 24 hours hence for that matter.

In all kindness, I suggest that the hon. Leader of the Opposition might be better employed in joining with us in pounding a sense of responsibility and realism into the heads of his colleagues at Ottawa. His arguments against undue taxation may be sound enough, but they are directed to the wrong authority.

Our friends of the opposition are also concerned about our net debt. It is disturbing that Ottawa is able to make debt reductions while the same is not true for the province or the municipalities. With over-taxation amounting to \$536 million in 10 months, it is no wonder

they can reduce their debts. However, I should like to stress what the hon. Provincial Treasurer (Mr. Porter) pointed out the other day. Thirteen years ago it would have required the net revenue of 4 years to retire our net debt. Today, it would require the revenue of only one and three-quarter years to accomplish this. Hence there seems no undue reason to worry on this score.

As to the indirect debt one needs only to consider the enormous expansion of Hydro. As the hon. Provincial Treasurer pointed out, Hydro's 1956 output in 1956 was 12 per cent. more than in 1955; 3 times the output of 1946, and 4.25 times that of 1939.

Of special interest is the expansion of rural Hydro. The number of rural customers in 1956 was 3 times that of 1944, and 4 times the number being served in 1939. An additional 30,000 new rural customers, it is estimated, will receive Hydro service this year.

It is, I suggest, most commendable that Hydro has already launched out into the field of atomic energy. There are many landmarks in the economic history of this province—the establishment of Hydro; the founding of our pulp and paper industry as a result largely of our legislation requiring home manufacture; the immense development of our mining industry; the vast importance attained by Ontario agriculture, to mention but a few. But I suggest that the development of atomic power holds vast promise for the future.

The astonishing performance of the United States submarine, *Nautilus*, gives us a glimpse of future power possibilities. Recent reports indicate that Britain has put a number of atomic power plants into commercial operation — plants important to themselves — important also in the light of depletion of Britain's coal fields.

Here we have two strings to our bow: the experimental work on atomic power now going ahead with Hydro as a partner; also the importation of western gas. No matter how much we may deplore

the conduct of the federal government in handling the trans-Canada episode, the fact remains that the availability of this fuel opens a new era for Ontario and indeed, for eastern Canada.

It is to be hoped that the federal Crown company charged with the construction of the northern Ontario section of the pipe line will get on with the job. And I venture to suggest that this particular section of the line will not be the unprofitable project which has been feared. When I look around the part of the north which has been my home for so many years, I assure you it is with an unbounded faith in a glowing future. Present developments, great though they are, are only a foretaste of what is to come.

The additional aid which is being provided to our municipalities will encourage our local governments in their difficult task of providing the facilities which mean so much to our people.

Nothing is more important in our economy than home and farm ownership. It is the very cornerstone of solid citizenship. The increase in the per capita grants, to be applied to the lowering of the municipal tax rate on farms and homes, is a forthright and commendable step. Business concerns are able to charge local taxation as an expense item in calculating income tax, something farmers and householders are unable to do. As a matter of fact I think the federal authorities might well allow deductions on such items as mortgage interest and insurance premiums, to mention two items.

The added aid to education is another welcome item, I think we should not lose sight of the fact that our capital expense in relation to education will ultimately level out. In a word, the new school buildings are for the future as well as for the present. Heavy though our commitments may be in this connection, they are a part of the price of our development, and perhaps future generations will give us a little credit in respect of the heritage we are today helping to provide for them.

I have criticized the government of Canada for its extravagance and more especially for its unrealistic outlook. I have mentioned a few items respecting which criticism is thoroughly deserved. Some of them betoken obvious waste. But all of them are symptomatic. They are surface indications but none the less important indications of the thinking or lack of thinking of the present government of Canada.

This nation is not a group of contending Balkan states. Our economy will stand only so much taxation without threatening the security of our whole economic structure. Our thinking, here in this House, in our federal Parliament and in our municipal councils should include thought of the facilities necessary for the welfare of our people and the development of this whole vast land; and hon. members of the opposition should include Old Man Ontario. It should include thought for the comfort and convenience of our people as they go about their daily tasks.

The other day we read, most of us with some dismay, I think, of the allocation of \$100 million of our national revenue being devoted to the Canada council for culture. And the first move, I suggest, is to try to inject some culture into the Liberal back benches at Ottawa. There is no place where it is more needed.

MR. MacDONALD: Do you oppose that?

MR. WARDROPE: This money comes, as I understand it, from the estates of two recently deceased millionaires, Sir James Dunn and I. B. Killam. Why the federal government should continue to inject itself into the field of succession duties is something I do not understand.

However, observing the ill-concealed glee of the administration at Ottawa as to this magnificent windfall, and keeping in mind the promise of hon. Charles Henry, M.P., of Rosedale that "The Best is Yet to Come," I suggest this:

Were I a millionaire, which I never will be, I would look both ways before crossing the street, I would keep away from high places. I might even hire a bodyguard. There may again be a shortage of funds for "culture" and some over-zealous Ottawa bureaucrat might get ideas about how to fatten the appropriations.

In short, and seriously, I suggest that we must all sit down together as Canadians, not as partisans, in an all-out effort to correct the unrealistic distribution of those huge revenues which constitute the total tax bill of all the people of this Dominion.

In dealing with the topic of credit restrictions I do not propose taking sides, what I will attempt to do is give you the story as I see it.

The Bank of Canada was set up in the early '30's after much thought and planning by the government's banking committee. While it is in part accountable to Parliament it has in large measure freedom of action. One of its main functions is control of the currency issue, but primarily I believe the principal thought behind its organization was to have it act as an economic regulator for the country. At that time we were in the midst of a deep depression after enjoying a boom period from 1918 to 1928 and it was felt that by controlling the economy it might be possible to prevent or soften the extremes that had taken place in the past 18 years.

In order to obtain the information needed to enable the central bank's economists to reach proper conclusions on the country's position, the chartered banks are required to report their position monthly. This report not only outlines each bank's current position but also covers credit commitments for the future. For example financing required by industry for capital expansion, is arranged well in advance usually through banks, investment houses, etc. From this information the central bank is able to not only establish the current position of the country's economy but

is able to determine the trend for the future up to two or three years.

On three occasions since the close of the last war, after analyzing the figures submitted, the bank decided that the country had reached a dangerous inflationary stage, the chartered banks were asked to curtail lending and on the first two occasions the trend was quickly arrested and within a few months the brakes were removed.

On the third occasion in October, 1955, it became quite evident that if the capital expansion planned by industry over the next two years was carried out not only would there be a shortage of labour but there just would not be sufficient materials to go around. When a situation like this develops, inflation inevitably results.

To stem this tide, the Bank of Canada called on the chartered banks to restrict credit; they were asked to eliminate long-term loans, loans for capital purposes, and to try and keep working capital advances at the levels established in 1955. To reduce the amount of funds they had available for lending, they increased from 8 per cent. to 15 per cent. the statutory reserve they must maintain with them. This figure is set up by taking 15 per cent. of the banks' average monthly deposits.

As you can well appreciate, this new situation placed the banks on the spot; they had already made substantial commitments for 1956, they had their clients of long standing to look after, and they are in business to make money by lending it. They succeeded in looking after the long-term commitments entered into prior to October, 1955, and I do not know of any case where credit for working capital extended to an established customer was reduced below that of previous years if the need existed. They have been forced, however, to decline new applications for good sound loans because the purpose of the loan did not conform with present requirements.

As the president of the Canadian Bankers Association put it: "The present policy of credit restraints applied

by the chartered banks as a result of the monetary actions and suggestions of the Bank of Canada is designed to sustain and prolong prosperity by not allowing an inflationary spree to take place."

In effect by controlling the credit of the country to keep it in line with the level of national production and the labour force, the Bank of Canada economists believe that they can maintain a buoyant economy and yet avoid the pitfalls of inflation and deflation.

So far I have tried to outline for you the reasons for the central banks' action and the results they hope to obtain.

Not all economists, even those in government, agree with this policy. As a matter of fact last summer the banks had the Bank of Canada hammering on their tails to reduce loans while they had another branch of government increasing both the amount and the term of home improvement loans that they were authorized to make under government guarantee.

Although there are numerous objections to the Bank of Canada policy, my principal criticism falls under 3 headings.

1. I claim that the method used is too all-embracing. In my opinion, certain districts such as our own northwestern Ontario, Labrador, Chicoutimi, Edmonton, areas that are experiencing an accelerated growth due to the development of natural resources, should not be faced with the same restraint as older more static districts.

2. I maintain that under a capitalistic system young countries such as ours, with unlimited natural resources, should be permitted to go through periods of dynamic expansion even though it is realized that these periods will be followed by periods of consolidation, stock taking and even depressions. As an example of this thinking, I would point to the United States' economic development in the 19th century.

3. Another group feel that with restrictions which lead to higher interest rates we are forcing industry and muni-

cipalities to go to the United States for their capital requirements. In the money markets of that country, our corporate municipal securities are most attractive and as a result American interests are obtaining an ever increasing stake in Canada.

I believe that the issues are pretty well resolved as follows: Do we want a dynamic rapidly expanding growth in this country with the risk of inflation or do we want a gradual economic development geared to our national production, a plan that could lead to our missing the boat and never achieving our full development potential? As one prominent banker has said, "We can be too cautious in our outlook, too hide-bound, too inflexible, too afraid to believe in our own potential."

As one who worked through the dirty thirties, I certainly do not want to see another depression. But, on the other hand, in our country's history, deflations and inflations are only temporary situations that come and go, and I would certainly hate to think that 100 years, or even 20 years from now, a generation will say that we, through lack of courage and vision, cheated our country out of its proper destiny.

In any event, the powers that be now have decided on the conservative course. Present indications are that there will be no easing of restrictions in the foreseeable future. The decision to invoke restrictions was a hard one but by far the most difficult will be in deciding when the easement is to commence. I can see the present credit restriction of the Bank of Canada greatly retarding if not completely stopping the growth of our natural resources in northwestern Ontario.

I believe that within the next 12 months the economic theories of our government will meet their first real test, and it could be that the plan being tried by us now could well provide a pattern for all free countries of the world or else prove of lasting economic disaster to Canada.

We must all sit down together as Canadians, not partisans, in an all-out effort to create a fair and equal distribution of those revenues which constitute the total tax bill of all the people of this Dominion.

Mr. Speaker, and all hon. members of this House, the hon. Minister of Lands and Forests (Mr. Mapledoram) yesterday invited us to take a trip to the north. I am very hopeful that every one of the hon. members will find it convenient to be there at that time. I know they will get a real welcome. As the hon. member for Rainy River (Mr. Noden) said, "We will have a great trout 12 inches between the eyes and open up the freezer and get out the beaver tails, and we will be very glad to show all the hon. members that part of this great province, which is the treasure house of this great Dominion of Canada."

In closing, I thank you for your rapt attention and for the few raucous sides I have received. It is always a pleasure to speak to an intelligent group of this kind on matters of the day and on things that are of harm in our Dominion and of situations we hope will develop from the Dominion government which will right many of those wrongs in this great province of Ontario.

MR. J. W. SPOONER (Cochrane South): Mr. Speaker, I might first assure the House that I am not going to address them, but I would like to ask you, Mr. Speaker, to rule on a point of privilege, or it may be a point of order. My interest has been greatly aroused this evening by seeing the hon. member for Peterborough (Mr. Scott) in his place, and at times with his head covered, so I wonder if it is in order or out of order, Mr. Speaker.

MR. SPEAKER: The hon. member for Peterborough has the liberty of wearing his hat as long as he sees fit. If he rises to address the House, he must remove it.

MR. J. ROOT (Wellington-Dufferin): Mr. Speaker, after listening to

the hon. members for Nickel Belt, (Mr. Belisle), Rainy River (Mr. Noden), and for Port Arthur (Mr. Wardrope), I am afraid that the hon. members of the House might have the idea that all of the wealth and all of the good things in the province of Ontario lie in the part we call northern Ontario. However, I think we have to, from time to time, get back to the basic things in life, and that is the rural farming areas and farm people.

Before I deal with what I want to say in the few remarks that I have to make tonight, I do want to compliment the hon. Provincial Treasurer (Mr. Porter) on his fine budget statement. The statement that he gave to the House gives a picture of the great development which is taking place in all parts of this province of Ontario. The budget statement indicates that in Ontario we have a government that recognizes the problems that confront our municipalities, our school boards, farmers, home owners and people in all walks of life in this period of rapid development.

The budget statement shows that the government not only recognizes the problem but it does something about it, giving financial assistance where assistance is needed.

We know that this government has been patient in its negotiations with Ottawa, trying to secure a fair share of the tax dollar collection in Ontario. This statement shows that we have been forced to raise taxes because Ottawa, with a surplus of our money, has refused to return a fair share to relieve the tax burden on our people.

I want to say something about the riding I represent, and that is the great riding of Wellington-Dufferin. Wellington-Dufferin is a rural riding feeling the impact of the great industrial development that is taking place in Ontario.

My riding is within easy driving distance of the major developments in southern Ontario, and I could mention "metropolitan Toronto" — the developments along the lakefront between To-

ronto and Hamilton, Malton, the Grand River Valley and other expanding communities, such as Georgetown, Milton, Acton, Guelph, Fergus and Orangeville.

Wellington-Dufferin is situated in the highlands of southern Ontario, where the air is fresh and pure. We are on the head waters of many of our major rivers where our water supply is free from pollution and for the people who would like to have fluorine, in many areas our water supply contains a natural supply of fluorine. I might mention Mount Forest, Harriston, Arthur and Clifford as communities with a natural supply of this ingredient that some people think is beneficial to health.

Our rolling countryside provides some of the finest scenery in the province.

The Department of Health might consider Wellington-Dufferin when establishing provincial hospitals. I notice in a recent edition of the *Globe and Mail* there is a possibility of a hospital being established in the Huron, Perth, Wellington, Waterloo area. I suggest that they might give some consideration to Wellington.

MR. R. WHICHER (Bruce): Or Dufferin?

MR. ROOT: Wellington-Dufferin.

MR. WHICHER: Which one do you want?

MR. ROOT: If the hon. member would just let me finish, he will maybe get an idea.

I have mentioned some of the fine things that we have to offer: pure air, clean water, the water that God already has treated with fluorine. You can take your choice. You can have that type of water or you can have just pure water without fluorine.

Our towns, villages, hamlets and townships are populated by a friendly law-abiding people.

All of these advantages and many others make Wellington-Dufferin one of the most attractive areas in Ontario in which to establish a home, a business, an industry, or an institution. We welcome new families into our communities; everyone makes a contribution.

But we are concerned when we find that due to the fiscal policies of the federal government we are not receiving our share of the tax dollar in either the province or the municipalities.

Let me compare the situation with regard to the tax collections for the 3 levels of government, and I am going to take 1938-1939 as the base, and I will tell you what they were collecting in 1954-1955.

In 1939, the federal government collected in the province of Ontario 52.1 per cent. of the tax dollar; in 1954-1955, it collected 80 per cent. In 1938-1939, our province collected 15.1 per cent., and in 1954-1955, we were cut down to 6.3 per cent. Our municipal governments in 1938-1939, had 32.8 per cent., and in 1954-1955 they had 13.7 per cent.

Along with that chart, let us take a look at the figures across Canada with regard to tax collections by the 3 levels of government including and excluding Ontario. As I mentioned before in 1939, the federal government collected across Canada 52.1 per cent., and in 1955 the average for all Canada was 74.8 per cent., and when you excluded Ontario they only collected 70.9 per cent. as against 80 per cent. in the province of Ontario. In the provincial field in 1955, excluding Ontario, the provinces collected 14.1 per cent., while in Ontario we were allowed 6.3 per cent. In the municipal field, when you exclude Ontario, the municipalities collected 15 per cent., and in Ontario we were left with 13.7 per cent.

These figures indicate how the federal government by unfair tax policies is forcing the people of Ontario to pay approximately one-half the national budget.

These figures indicate that by its policies the federal government is refus-

ing to give Ontario a fair share of the revenue collected in the province, while they pile up surpluses of our money and make it difficult for the province to give more assistance to the municipalities.

The figures in the tables I have used show that the federal government expects the Ontario municipalities to get along with less than a fair share of the tax dollar, and collect their taxes from the hard-pressed home owners to provide services for the rapid expansion in industry, business and population, the sources of revenue that generate the huge surpluses that are in the federal treasury.

I submit that it is a gross injustice to the taxpayers in Ontario that Ottawa should collect half of the national budget from 9 provinces and extract the other half from Ontario; that Ottawa should take 80 per cent. of Ontario's tax dollar and only 70.9 per cent. from the balance of Canada. It is not fair that Ontario should be forced to raise taxes while Ottawa piles up surpluses of hundreds of millions of dollars of our money that should have been returned to the province and to the municipalities.

MR. WHICHER: The hon. member is biased.

MR. ROOT: Most people judge the other fellow by their sins.

The people who suffer most from the unfair fiscal policies of the federal government are the people who make their living in rural Ontario—the farmer, the small business man, the home owner.

With roads open summer and winter, many people working in industry and business are establishing their homes in the healthy pleasant atmosphere of a rural community. This influx of new people creates a problem with regard to schools and the necessity of open roads 24 hours of the day for the commuter living in the country and driving to work in the large centres. An expanding rural population creates health and welfare problems. Since the commuter has only his home to assess, and

the tax on his earnings goes to Ottawa, the great tax burden falls on the farmer in rural Ontario. This is why rural Ontario feels that Ottawa is grossly unfair when they refuse to return a reasonable amount of the tax dollar collected in Ontario.

The people of Wellington-Dufferin would want me to thank the hon. Prime Minister (Mr. Frost) and the government for the efforts that were made on their behalf in the negotiations with the federal government trying to secure a fair share of the tax dollar collected in this province. From the rumblings I hear, I think they will express to the federal government their feelings at the appropriate time. The people of Wellington-Dufferin would want me to express to the hon. Provincial Treasurer (Mr. Porter) their thanks for the way this budget gives a helping hand to the farmers, the home owners, the municipalities, the school boards, our hospitals, and our welfare agencies. They note the provision in the budget for an expanded highway programme and trust that we will receive our share in that expansion.

Since Ottawa has forced the Ontario government to raise taxes the rural people are pleased that the government is securing its additional revenue from such sources as corporation tax, mining and logging tax, a tax on the brewing industry, and the motorist if and when he drives. To give you some idea of how this budget affects Wellington-Dufferin I will mention some of the grants, special grants which are applied to our hospitals: Groves Memorial, Fergus, \$10,800; Guelph General, \$35,000; Guelph St. Joseph's, \$33,600; Kitchener St. Mary's, \$24,400; Kitchener-Waterloo, \$87,800; Louise Marshall, Mt. Forest, \$6,200; Dufferin Area, Orangeville, \$17,800; Palmerston General, \$8,200; Shelburne and District, \$3,200. This makes a total of \$227,000 to assist the hospitals which serve the people I have the honour to represent.

Then, we have the grant to assist the training of nurses: Guelph General

Hospital, \$24,000; Guelph St. Joseph Hospital, \$25,200; Kitchener-Waterloo Hospital, \$18,300; St. Mary's, \$27,600. This is a total of \$95,100.

In regard to unconditional grants to all municipalities in Ontario, the overall grant increased from \$12.7 million to \$20.9 million. These grants will be applied exclusively to benefit residential and farm taxpayers.

Welfare assistance for children's aid has been stepped up from 25 per cent. to 40 per cent., and when there is a case of direct municipal assistance the province has increased its contribution from 50 per cent. to 60 per cent. All of these will benefit our municipalities.

Grants for education include special grants of \$8 per pupil in elementary schools, \$20 per pupil in continuation schools, \$25 per pupil in high schools and collegiate institutes, and \$30 per pupil in vocational schools. The province will increase its grants toward elementary school teachers' salaries by \$5 million. The total grants to elementary and secondary schools will rise from \$81.2 million to \$101 million in the next fiscal year.

We have our subsidies for municipal roads, which are increased from \$46 million to \$53 million. In other words, the summary of grants to aid our municipal taxpayers has increased from the present fiscal year at \$180 million to \$213.9 million, a 19 per cent. increase in assistance to municipalities.

The highway construction programme will be increased by \$30 million, for a total expenditure by the province of \$233 million. This will benefit all our motorists. The extra two cent gasoline tax, which is less than two per cent. of the cost of operating the average passenger car, will generate \$20 million or two-thirds of the increased highway construction programme that is planned.

I could go on and tell hon. members of power developments and millions of dollars for rural electrification that has completely changed the rural way of life and provided the power for the

great industrial development we see taking place in all part of Ontario. These are some of the methods that have been used by the government to benefit the people of Ontario.

I would like to make one or two suggestions to the government. I do not see the hon. Attorney-General (Mr. Roberts) in his place tonight, but I would like to suggest to him, and I hope he reads *Hansard*, that he take a look at The Innkeepers' Act. I have a reason for suggesting this. If you will take a look at the card in your hotel room you will find reference to horses, live animals and carriages. I think this must be a very old bill indeed, because many of our children in rural Ontario do not know what a horse looks like and yet we find in the downtown hotels in Toronto reference to horses and live animals. You will find that the innkeeper has very little liability to make good any loss of, or injury to, any property in excess of \$40. This situation was brought to my attention a year ago by one of my constituents: he and his wife were staying in a downtown hotel and they went out of their room for dinner and when they returned the door was still locked, but everything of value had been stolen including a fur coat. The loss amounted to something between \$600 and \$700, and the last information I had was that the innkeeper had not even paid the \$40. This seems ridiculous to me.

Under The Public Carrier Vehicles Act we demand that a trucker carry up to \$2,000 insurance on a truckload of livestock, so surely our people are deserving of more protection than they receive under The Innkeepers' Act. I would suggest that something should be done about this.

I have another suggestion I would like to make and I direct this to The Department of Welfare. It has been brought to my attention on several occasions that some of our widows have more need of attention than some of the millionaires who are drawing old age pensions. I am thinking of the widow who loses her husband while she has a

young family, and with mothers' allowance she holds the whole family together. However, when the youngest child reaches 18 she is cut off, perhaps physically impaired but not disabled, and unable to secure satisfactory employment. I think that perhaps in co-operation with the federal government we should go over our entire welfare programme and develop a plan that will give assistance when and where assistance is needed.

I want to say something about agriculture. We have heard of the pulp and paper industry. That is, of course, a great industry, but I want it to be kept in mind that agriculture always has been and always will be the basic, or the key industry, and if ever the day comes when farm people stop producing food then we will have reached the time in our history when our other industries will die.

Agriculture is not in a healthy condition. There are many reasons for this condition. We have lost many of our export markets. Our elevators in western Canada are full and grain is wasting, or has been turned into feed for livestock, thus helping to create a surplus of meats, poultry and dairy products. I realize the federal government shapes our trade policies since they have control of tariffs, trade agreements and our international financial policies. I submit that they have failed to develop adequate export markets. It has been stated in the press that our hon. Minister of Trade and Commerce thinks that farm surpluses are good for Canada. I am not going to dispute that statement to the effect that surpluses may be good for Canada, but what about the farmer? Is the farmer a different type of Canadian to other citizens—the labourer, the industrialist, or the business man? I submit that the farm people are only asking for a fair deal. All that they ask for is the same consideration that is given to other groups in our economy.

What has happened to agriculture? I have a chart here that will show how, in relation to 1935 to 1939, farm costs have gone up. This is based on 1955.

There are later figures, but they have not been handed to me as yet, so I will have to use this chart. In August, 1955, we find the taxes and interest on loans up 164.5 per cent.; gasoline, oil and grease, 172.8 per cent.; fertilizers, 182.3 per cent.; seed, 185.2 per cent.; hardware, 194.1 per cent.; farm machinery, 197.4 per cent.; feed, 206.9 per cent.; binder twine, 245 per cent.; building materials, 284.5 per cent.; and farm wages, 441.6 per cent.

I have here another chart that will show the drop from 1951 to 1954. In 1950 the value of the average milch cow was \$296; by 1954 it was down to \$162. The value of other cattle was \$165; by 1954 that had dropped to \$94. The value of sheep and lambs was \$34 in 1951; it was down to \$21 in 1954. The value of swine in 1951 was \$39.87; it was \$40.69 in 1954. The value of poultry was \$1.50 in 1951. It was \$1.11 in 1954.

These figures will give some idea of what is happening to the economy of the farm people. Farm costs are up and the prices of farm products are down.

The farm problems are four-fold. We have, first, the loss of export markets; secondly, we have the increasing cost of production; then we have the falling prices of farm products; and, fourthly, we have no adequate protection in our home markets.

One might ask what has the Ontario government done for the farm people? I submit that the government has done more for agriculture than any government in Canada. Our marketing legislation is the most advanced of any in Canada. We have marketing schemes that give our farmers control over the marketing — orderly control over the marketing — of their products. Some of our critics say that we have gone past the limit in marketing legislation. In fact, the Supreme Court recommended that we would have to make some amendments, that we had got to the limit.

I am sure that the farm people appreciate the fact that we have a government that will go the limit to assist the farm people.

The government's policies have made rural Ontario a much more attractive place in which to live. I could mention rural electrification which has completely changed the way of life in rural Ontario. I could mention junior farmer loans; one of the great problems confronting the young people starting farming is the problem of finance, and that whole problem has been aggravated by the fiscal policy of the federal government at the present time of restricting credit. We have the policy of the Ontario government of giving unconditional grants that will be applied to homes and farms. We have the tremendous increase in grants for education, health, welfare and municipal roads. We have the greatly expanded highway building programme that gives Ontario the best highway system in Canada. We have a Department of Travel and Publicity by which we attract millions of tourists to this province, who consume the products of our farms.

I submit that the overall policies of the government have made Ontario the most attractive province in which to establish a home, a business, or an industry. We find that over half of the new industry which has come to Canada is established here in Ontario. We have attracted between 1.25 and 1.5 million new people. These people call Ontario home. They have come here since the present government took office in 1943. Over half of the new Canadians that have come to Canada have settled in Ontario — the most attractive province in Canada.

What does 1.25 to 1.5 million people mean to agriculture? I submit that they provide a market which did not exist when the present government took office — a market that is growing larger year by year.

I have here a chart that will give the per capita consumption and from which we get some idea of what this market means to the farm people. The 1.5 million people are consuming, along with the increased consumption per capita, for instance, 200 million extra pounds of pork since the government

took office; nearly 200 million pounds of beef; about 35 million pounds of poultry; about 50 million pounds of eggs—and I give hon. members that figure in pounds—I do not know why it is in pounds; cheese, about 8 million pounds; about 600 million pounds of fluid milk; about 30 million pounds of butter; 10 million pounds of lard; 225 million pounds of potatoes; 30 million pounds of fresh tomatoes; 21 million pounds of tomato products; 100 million pounds of fresh fruit; 27 million pounds of canned vegetables.

I could go and give other figures. These are some of the things that the Ontario government has done in order to assist agriculture. By their overall policies they have created this great consuming market in the province of Ontario which did not exist some 12 years ago.

We have provided the farmers of Ontario with advanced marketing legislation; we have developed and are developing a great consuming market for farm produce in Ontario.

But farm prices are still out of line, and farmers are taking less than a fair share of the national prosperity, and we have a right to ask why.

I feel that the federal government has failed to discharge their responsibility to our farmers. They have lost many of our export markets. They do nothing about the spread between what the producer receives and what the consumer pays.

I can give the hon. members one or two examples of what this spread amounts to. The farmers in my riding are receiving anything from 25 cents to 30 cents a dozen for their eggs. When I buy an egg in some restaurants I pay 30 cents for the egg. That is some spread. The same goes for bacon. The farmer gets less than 30 cents a pound for bacon. When I buy it on a plate in a restaurant it is \$3.75 per pound. That is some spread.

The federal government has done nothing about an investigation as to what causes this great spread between what the producer receives and what the con-

sumer pays. I submit that they are not giving the farmer the protection they give to other industries with regard to cheap food coming into the country.

In the area I represent we are competing, for labour, with industries which have a 25 per cent. to 40 per cent. tariff protection while agricultural protection is almost nil. Ottawa's support or protection for agriculture is entirely inadequate to give agriculture the position it deserves in the economy of the nation.

I will give the hon. members some figures from a document prepared by the Dominion bureau of statistics. It will give some idea of what the federal government is doing to our farmers by their trade policies.

Before I give hon. members these figures I want to read from the *Globe and Mail* a reference made by the federal hon. Minister of Finance—or, rather, a reference to his budget address. This is in the *Globe and Mail* of March 15th. This is the press report of hon. Mr. Harris' address regarding heavy imports, particularly from the United States. It says:

Heavy imports, particularly from the United States, helped restrain the rise in Canadian prices by making more goods available. But these heavy imports pushed Canada's deficit in foreign trade of goods and services to a record \$1.4 billion, double that of 1955.

This is a statement of policy by the hon. Minister of Finance—that there had been a deliberate policy of allowing goods into this country to restrain the rise in the price of Canadian goods.

Let me give hon. members a few figures from the Dominion bureau of statistics to indicate what this policy is doing to agriculture. I am going to quote from some of the products that we produce right here in Ontario. This is for the first 10 months of last year.

We exported \$24,000 worth of mutton and lamb, and in the same period imported \$1,699,421. Potatoes, other than seed, we exported \$3,599,000

worth, but imported \$6,411,000 worth. The potato growers in my riding of Wellington-Dufferin will be very interested to know that it has been the policy of the federal government to make goods plentiful to restrain an advance in price. In soy beans we exported \$3,797,000 worth — but we imported \$15,658,000 worth.

Let us take a look at poultry. We exported \$5,000 worth of turkeys and in the same 10 months imported \$3,180,000 worth. We imported \$3,463,000 of other poultry. Therefore, if hon. members find that they can buy cheap fowl at their local store, they may be assured that they have been able to do so because the federal government wishes to make goods available to restrain farm prices in Canada.

Coming now to the dairy industry, we have had difficulty in finding a market for cheddar cheese. Hon. members have heard about this problem every session since I have been elected. The government at Ottawa allowed the importation of \$3,083,000 worth of cheese, and \$25,000 worth of butter, of which we already have a surplus. They have allowed an importation of \$2,139,000 worth of eggs. Our farmers are getting 25 to 30 cents a dozen, while the hon. Mr. Harris wishes to make goods available and help restrain prices.

The only product on which we have a favourable trade balance is pork. As hon. members know, there is an embargo against the importation of fresh pork, due to a disease which is prevalent in the United States, with the result that we have exported some \$30 million worth of pork products. However, just as soon as that embargo is lifted, we may expect our market to be flooded with cheap pork.

Looking now at beef. Our beef producers are faced with great difficulty in finding markets for their products. The government at Ottawa has allowed the importation into this country in the first 10 months of 1956 of \$6,341,000 worth of beef and beef products because the hon. Mr. Harris wishes to keep

goods available and restrain advances in prices.

Edible oils—this is what margarine is made out of—\$11,435,000 worth were imported into this country. Some \$38,123,000 worth of vegetables were imported, and I will give the House figures on some of the vegetables that we produce in abundance in this country.

Take for instance canned tomatoes — and we have plenty of factories which can them here — \$890,000 worth of canned tomatoes came into this country. Some \$2,686,000 worth of onions were imported; \$732,000 worth of beans; \$478,000 worth of canned vegetables; and \$308,000 worth of canned baked beans came in.

We imported \$103,761,000 worth of fruit, and I will point out some of the fruits that we grow and process right here in Canada. Frozen fruits, \$556,000. Canned peaches, \$819,000. Canned pears, \$354,000. Fresh pears, \$1,671,000. Fresh strawberries, \$3,090,000. Apples, \$2,335,000.

I think when one considers these figures, it will be realized why, in spite of the best efforts of this government, the farmers are in a critical condition. As the hon. Mr. Harris says, and let me repeat: "Heavy imports, particularly from the United States, help to restrain the rising Canadian prices by making more goods available."

I do not think it is fair that the rural people should have to bear the brunt of stabilizing the economy of this country, and I think it is time that some hon. members who are so quick to pound their desks in favour of Ottawa should go there, take some of these figures to them and say: "It is time that you did something for the farm people, or the farm people will do something to you."

In conclusion may I say, Mr. Speaker, that it is my firm belief that the government of Ontario is doing everything in its power to assist the great, basic industry of agriculture.

Allow me to mention again the agricultural colleges and schools. These

schools are among the finest in the world. We have the Ontario Veterinary College; we have our departments of research and expansion work. Through our agricultural offices and agricultural representatives we are giving assistance and guidance to the farmer. We have given to our farm people good marketing legislation. Through an expanding economy we have created a great consumer market for our products. The evidence is before us that we have in Ontario the most progressive government in Canada.

We are attracting and absorbing over half of the new industry locating in Canada; we are attracting and absorbing over half of the new people who are coming to Canada. We generate half of the national budget. Ontario is the keystone in the arch of Confederation.

Mr. Speaker, it is indeed a privilege to sit in this House, representing as I do the finest rural riding in the province, supporting the most progressive government in Canada, under the greatest hon. Prime Minister that Ontario has ever known.

MR. N. WHITNEY (Prince Edward-Lennox): Mr. Speaker, as this is the first time I have had occasion to speak at this session, I would like to join those who have preceded me in congratulating you on the very excellent way in which you have carried out your duties, and I know that we all appreciate your many kindnesses.

At this time I wish also to congratulate the hon. Provincial Treasurer (Mr. Porter) on his budget. It is certainly a matter of great satisfaction for hon. members who represent rural ridings in particular, and also those who have had municipal experience. We realize that by paying 60 per cent. of direct relief costs, 40 per cent. of the costs of children's aid societies, and by increased assistance toward the cost of education, the municipalities are being assisted a great deal.

Particularly noticeable is the increase in the grants for secondary school pupils by means of which a grant of \$6 per

pupil, as it was formerly, will now be \$25 for high school and collegiate institute pupils, and \$30 for pupils of vocational schools.

Similarly, the increased per capita grants and the \$1 per capita grant for the administration of justice is a most welcome thing.

I believe in 1952, on the occasion of my first speech in this Legislature, I had come recently from county council and had been the chairman of the finance committee of that council for a few years, and one of the great headaches that we found was that there just seemed to be no way in which we could control our administration of justice costs.

We were of course subject to provincial inspection and provincial regulations, we had to reach certain standards, and it did not seem fair that so great a burden should be placed on our local taxpayers. This new per capita grant for administration of justice costs is certainly a step in the right direction.

For instance, in 1955, Prince Edward county, with a population of 18,129 people at that time, received from the province \$3,766.21. As a result of this new policy and without taking into consideration any possible increase in population which may occur, they will now receive \$18,129.00, or an increase of \$14,362.79.

Similarly, Lennox and Addington county, the representation of which I share with the hon. member for Frontenac-Addington (Mr. Rankin) and which had a population in 1955 of 19,685, received \$5,398.28. They will now receive \$19,685.00, which is an increase of \$14,286.72.

However, Mr. Speaker, I would like to point out at this time that the total costs of the administration of justice for Prince Edward county in the year 1955 amounted to \$29,240, and for Lennox-Addington the total costs were \$30,786, so that since the new per capita grants will amount to approximately \$20,000 for each county, they still will lack approximately \$10,000 of paying 100 per cent. of the costs.

Therefore I would like to make the suggestion that, with the small populations our smaller counties have, unless there is an increase in population they will never get to the point where the \$1 per capita grant will fully take care of their administration of justice costs. The reasons for this are the constant costs: the maintenance of their court house, the salaries of their staffs, repairs, heat, and so on. Those are constant costs and do not increase in proportion to the number of prisoners that they have.

Therefore, I would like to make the suggestion that, in the future, thought might be taken that since, in regard to our per capita grants for public welfare costs, on which there is an increased scale for the larger municipalities—that is, the amount of the per capita grant increases progressively with higher populations—perhaps conversely as regards the administration of justice grant, consideration might be given so that there can be a graduation in that respect as well.

It occurs to me that study could be given toward going farther into this matter, but it would appear that a county would require a population of approximately 30,000 people before it could have a chance of breaking even on the basis of the \$1 per capita grant.

A population of 25,000 might require a \$1.25 grant in order to have a reasonable chance of breaking even on their costs. Similarly, a county with a population of around 20,000 would, perhaps, need \$1.50. I just offer it as a thought, and do hope it may be found possible at some time to give some consideration to developing a graduated scale which would assist some of our smaller counties in that way.

I have listened with a great deal of interest to the preceding addresses in this Legislature by the hon. member for Port Arthur (Mr. Wardrope) and the hon. member for Wellington-Dufferin (Mr. Root).

In regard to federal matters, it has always been my opinion that our federal government was formed originally under

The British North America Act by several provinces getting together, so that we might say our federal government is the result of our provinces combining. The provinces were here first—at least, some of them were—Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island.

We have heard from some of the hon. members of the opposition that the municipalities are the creatures of the provincial government. I am inclined to think that is the case; certainly, the federal government does have some responsibility to the province and to the people who actually created our federal government constitution in the first place.

I would like to call the attention of the House, to certain matters pertaining to the federal government, and I am now speaking on the matter of agriculture, with which the hon. member for Wellington-Dufferin so capably dealt.

In November, 1956, at the annual meeting of the federation of agriculture in Prince Edward county, Prof. Ralph Campbell of the department of economics of the Ontario Agricultural College gave an interesting address. Prof. Campbell's address was entitled, "Farm Income and Farm Policy", in which he said:

Canada has developed rapidly over the last 10 years. The total income has risen from \$10 million to \$26.5 million. This is partly due to price increase.

This has not been the story in agriculture. The net income built up to a peak in '51 and from then until '54 dropped down 34 per cent. It was up a bit in '55 and near the same in '56.

Canada's income in the last 10 years has more than doubled, whereas farm income has been experiencing a slump for the last 5 years. The remedy for this involves farm policy. One reason for the farm income decline is due to increased production as the result of more and better machinery and fertilizer, better seed and better breeding. Other countries are experiencing the same increases and same declining prices.

A second reason is that in marketing the margin is growing bigger in difference between the farmer and the consumer. This is partly due to wages being up, more transportation costs and consumer demand (i.e. cake mixes rather than flour, milk, eggs, etc.) increasing the cost of packaging.

In the United States at the end of the war, 52 cents out of every \$1 went back to the farmer. This has declined to a present rate of 40 cents back to the farmer. Other countries have followed up this declining process by subsidizing agriculture to a greater extent than we.

Mr. Campbell referred to the United States surplus disposal programme, where for two years by public law 480, they have been trying to get rid of surpluses.

Produce such as corn, soya beans, butter, cheese, and cotton are sold for the currency of the buying country with the United States willing to accept the foreign exchange. They have become serious competitors. We produce a little over \$2 billion a year in agriculture and they have sold as much in just over a year.

Other countries subsidize to such an extent that we have a vicious problem when we have to compete. France subsidized its wheat producers over 100 per cent. They were receiving \$1 per bushel for the wheat and \$1.15 subsidy. Also, in France the price of butter was 77 cents per pound. They exported 20 million pounds at 46 cents per pound with the government paying the other 31 cents per pound in subsidy.

Argentina has subsidized its beef and New Zealand the same.

To summarize this, we have 3 reasons for lower farm income:

(1) Production, which is up in Ontario from 65 per cent. to 80 per cent. more than before the war.

(2) Spread from farmer to consumer is increasing.

(3) Government subsidies in other countries to encourage production.

Mr. Campbell said that many suggestions to increase farm income had been considered by both the Ontario and Canadian federations of agriculture.

Price supports is one method which we do not have much of in Canada. Our government has spent \$90 million in about 10 years — this includes \$70 million spent in 1952 as the result of the foot and mouth epidemic. In the fiscal year for 1956, the United States government has spent \$975 million on price supports. This figure is not complete, because they have built up stocks of corn, wheat, etc., so that they now own \$8.5 billion worth of these.

As an illustration, if all the wheat the United States government owns was put in a solid string of boxcars, it would reach from San Francisco to New York and back to St. Louis.

Recently wheat sold on world markets by the United States was subsidized 73 cents on every bushel, while Canadian wheat was not subsidized. Most of us do not want to see subsidies to this extent, because they result in the problem of cutting acreage — which we do not want. In 1953, in the United States, acreage on some crops was cut from 78 to 55 acres, and farmers were penalized for not adhering to this.

My point in mentioning this is that I find in our press some people urge that farm produce should seek the market price; that is, whatever the world market price is, that should be our price. Here we have evidence that, as far as we in Canada are concerned, we are not getting a fair deal in meeting that price. We have to compete against farm produce from countries where they are receiving a subsidy, and that type of competition is far from fair.

Along that line, when we consider that every bushel of American wheat is subsidized 73 cents to the grower, and then we read a couple of weeks ago a newspaper article headed, "Canadian flour bags sent to United States to be filled with United States flour", should we not be concerned? Is our weak indus-

try not hit hard enough with the huge surpluses we have in the west without our Canadian companies being allowed to send their bags over to the United States to be filled with United States' flour, presumably coming from that subsidized wheat, and then coming into this country and selling under Canadian brand names.

Another matter along that same line; I know of local canners who go up to the Niagara district of the United States and buy berries, bring them home and can them, more cheaply they say than they could if they bought them locally. I strongly suspect that the reason for the lower price on the part of the American producer is to keep the home price up by selling the surplus at bargain prices thus maintaining higher prices at home. Certainly our berry growers should not have to face that kind of competition.

A few years ago, we had New Zealand cheese come into this country at a time when we had a surplus. That is another example. I know the hon. Minister of Agriculture was very concerned about that. I do believe he could not get any direct promise that no more New Zealand cheese would be allowed in.

As a lamb producer myself, there is one thing I have noticed. Admittedly we do not produce enough lamb in this country to meet our domestic requirements. There is a market for all the lamb we can produce and there is a reason for lamb to be imported. New Zealand lamb comes in, and in New Zealand their main concern is with the production of wool and, as a result an inferior quality of lamb comes in and will be sold, and the people will think they are buying Ontario or Canadian lamb.

They take it home and are not satisfied with it. I know I have met people who have said they do not like lamb; but after they have had some of our own lamb killed by our own butchers, they said it was fine, and did not recognize it at all.

I feel there should be some effort made to try to promote the sale of our own

farm products and to prevent imported produce from coming in without giving our farmers reasonable protection, the same as protection is given to the automobile industry and other manufactured articles.

MR. EDWARDS: Are you talking about mutton?

MR. WHITNEY: I said lamb.

MR. EDWARDS: But it is mutton when it is imported.

MR. WHITNEY: I would like to mention that Prince Edward-Lennox counties are doing great work in agriculture. This may be a very convenient time for me to be speaking, because just last fall Mr. Harry Gorsline of Demorestville won the rye championship at the Royal Winter Fair.

At the recent annual meeting of the Ontario Hog Producers Association here, Prince Edward county won the award by leading the province in increased percentage of grade A hogs in 1956 and, as a result, they received an award of \$200.

Just recently I was over in the library reading a local paper, and I saw that Gordon Babbitt, who is at Ontario Agriculture College, won the fruit exhibit over there with a display of a variety of fruit, all of which was grown on his own farm at home. When you see how these things come along, you see how your farm people are trying to do a job, and trying to improve their products, and trying to do the best job they can, and it does not seem right that they should be deprived of the protection they need in their work.

Certainly, we have great farmers in Prince Edward-Lennox, fine cattle, and good fruit, vegetables, and canning crops. The consumers in this province do not realize the good food which is being produced here in Ontario, and it might be possible for The Department of Agriculture to provide a little assistance and advertising for some of our products at

the right time and the right season, so that people will have a little idea that those particular fruits and vegetables are being produced here, and endeavour to help our own people by buying them at that time.

Another matter I would like to mention is that in my riding there are a number of people who are receiving old age assistance or mother's allowance, or a disabled person's pension, and in the fall of the year the canning factories which are short of help are pleased to employ them.

These people will work for a few weeks in the canning factories and will make some additional money, and then later on when it is investigated and discovered that they have exceeded the allowable income of \$1200 a year, if married, and considerably less if single, a reduction is made in their allowance.

I have discussed this matter with the hon. Minister of Public Welfare and he is entirely in agreement with the statement. The hon. Minister would like to see an increase in the exemptions allowed, and I understand that the reason this has not been done, is because the federal government which pays a share of these allowances has not agreed to any increase of exemptions. I think it is discouraging to these people to have their allowances decreased. It is not good for our own economy. They feel there is no use in their working because they will lose it in their old age assistance or in mothers' allowance. These people are happy to secure employment, they give a much needed service to their employers, and should not be discouraged from doing so.

In speaking to the hon. Minister, he mentioned in regard to the assistance for disabled persons, that it was first instituted by this province before the federal government contributed at all, and the additional income a disabled person could receive then, was greater than it is now. I think it is a good thing for this government to do whatever they can in this matter because in this present day and age, the amount of \$1200 for a married couple or \$750 (as I think it is for

a single person) is not very much. I do not think that the government of this country should say that is all these people can earn.

There should be a little generosity on their part; perhaps around \$1400 or \$1500 should be the exemption for married persons and I do hope the federal government may be prevailed upon to give consideration to that problem in the future, not only for the good it will do those people, but for the good it will do the economy. It will certainly build up the morale of these people, by making them feel they have some useful purpose to serve.

In the last year or two, a number of things have been going on in the riding of Prince Edward-Lennox. At Millhaven, we have a new Canadian Industry Ltd. plant, costing approximately \$20 million, and producing terylene, a marvellous new fabric. It is a beautiful factory which is giving employment to a great number of people, and is a credit to the riding. The Napanee Iron Works has recently doubled its capacity and we are expecting more development in Napanee. In Picton a new cement plant is being constructed. Iron ore produced at Marmora is shipped from the docks at Picton, where there are great loading facilities. With the coming of the St. Lawrence Seaway, indeed the prospects of industry in this area are becoming increasingly better.

Last June, the hon. Prime Minister officiated at the opening of a new park at Adolphustown, which represents the very spot where the United Empire Loyalists landed in 1784, I believe, on the 15th of June. The Toronto branch of the United Empire Loyalists association had raised in excess of \$12,000 and had restored a memorial and cemetery with fine landscaping and presented it to the province on that occasion.

The park has not been developed as yet, but I am looking forward to that being done this year. I have passed there several times, and each time there were visitors looking over the restoration which has been done, and when the park

is completed it is going to be a great thing for our riding.

Similarly, Outlet Beach in Prince Edward county has been used by thousands of people, both within and outside the county for a great many years. I believe that negotiations for the land required for the purpose of a public park, are well advanced and this likewise will be a great thing for our people.

Last summer, in Picton Bay, which is one of the finest natural water courses anywhere, we had the unlimited class boat races, in which "Miss Supertest" was able to successfully defeat the best boats in the United States, such as "Such Crust" and others. Incidentally, I believe the hon. Minister of Travel and Publicity is acquainted with the owner of that boat. We now hear that Mr. Donald Campbell is thinking of coming to try for a world's record in Picton Bay, and with the excellent course which we have, his prospects should be bright. Likewise with our fine people, our scenic beauty, our agriculture and other things, I am sure that the future of the great riding of Prince Edward-Lennox is very bright indeed.

I would also like to mention at this time, that a few years ago when the hon. member for Lanark (Mr. Doucett) was hon. Minister of Highways, a new ferry, the Quinte Loyalist, was put into operation at Adolphustown and this ferry has been giving very excellent service.

Originally, 24-hour service was not given, but since, after the hon. Mr. Allan gave due regard to the requests that had been made, this full-time service has been established. We have two ferries in operation and except for one or two occasions, when there have been loose ice flows, those ferries have given continuous service day and night since the 24-hour service has been put into effect, which is somewhat different than formerly, when there were times they would have to discontinue operation during the winter period. Service has been provided on a 24-hour basis, winter and summer for the last two years. I am very proud of the very efficient service that the captains and staff have been giving.

However, traffic on highway 33 is increasing, traffic in that entire district is increasing, and certainly with the developments which are taking place I think it would be well to look to the future and plan ahead of time because something more will be needed before too long to take care of the increased traffic that we now have.

Therefore, I would recommend that a survey be made as quickly as possible and I believe this will be done.

In conclusion I wish to state my pleasure in having this opportunity to speak on behalf of my riding and also to speak on behalf of those interested in agriculture, which is the most important single industry in our area. I do hope, as the hon. member for Wellington-Dufferin (Mr. Root) has suggested, that the things which have been said in regard to our federal government policy should eventually have some influence in the right places.

MR. MURDOCH: Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. MR. PORTER: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of the whole.

MR. OLIVER: Mr. Speaker, must we go on all night? After all, there is a limit to how much of this we can stand in one evening.

HON. MR. PORTER: We will only be a few minutes. There is just one bill, order 36, The Highway Improvement Act.

MR. OLIVER: The Highway Improvement Act?

HON. MR. PORTER: Yes, that has been through committee.

MR. OLIVER: That is the long bill. I suggest to you, Mr. Speaker, we are

not going to start on The Highway Improvement Act at this hour of the night, surely?

HON. MR. PORTER: If the hon. Leader of the Opposition wants a vote on it we will have a vote on it.

MR. OLIVER: All right, let us have a vote on it.

HON. MR. PORTER: May we proceed?

MR. OLIVER: Mr. Speaker, before you put the motion I want to say to the hon. Provincial Treasurer that this is perhaps one of the more important bills to be considered in committee and several of my hon. members are prepared to discuss certain sections of the bill. Why in the world should it be called at 11 o'clock at night?

HON. MR. PORTER: The hon. Leader of the Opposition was advised that we would have certain speeches on the budget debate tonight and other bills possibly on the order paper, and if the hon. Leader of the Opposition is not ready to proceed I do not know where his hon. members are—

MR. OLIVER: Well, ram it through.

HON. MR. PORTER: I will not be ramming it through. Does the hon. Leader of the Opposition suggest we should delay the business of the House because his hon. members are not present?

MR. OLIVER: At 11 o'clock at night, yes.

HON. MR. PORTER: It is only 10 minutes to 11.

Motion agreed to; House in committee of the whole, Mr. Doucett in the chair.

HIGHWAY IMPROVEMENT ACT

House in committee on Bill No. 69, The Highway Improvement Act, 1957.

HON. MR. ALLAN (Minister of Highways): Mr. Chairman, I would make a motion that all sections reprinted in the bill as amended and reprinted in the bill be taken as called.

Motion agreed to.

Sections 1 to 52, inclusive, agreed to.

On section 53:

MR. JACKSON (London South): May I ask the hon. Minister a question about section 53? Is this in conjunction with access roads that may be required to be connected with, say, 401, for example—section 53?

HON. MR. ALLAN: Section 53 deals with the contributions of cities to improvement of county roads. I do not believe that is the section, but it gives the cities the authority to make grants towards the improvement of county roads, even to the extent of borrowing money.

MR. JACKSON: That allows them to borrow money where—

HON. MR. ALLAN: It gives cities permission to make grants towards roads, naturally, within the . . .

MR. JACKSON: Within their boundaries?

HON. MR. ALLAN: Not within their boundaries, but within a reasonable area. Some cities have made grants towards certain roads that are even quite a little distance from the city, in addition to their money that is contributed to suburban roads.

Sections 53 to 59, inclusive, agreed to.

On section 60:

MR. EDWARDS (Perth): On section 60, we have heard of different places

in my own riding where there have been very hard regulations in connection with signs referring to local churches and so forth along the highways. I just wondered, does this make it more difficult than ever?

HON. MR. ALLAN: Those are the same regulations that were in the former Act. If you understand, this Act has been re-written with the various sections assembled, as I mentioned at the time the bill was introduced—with the sections assembled having to do with the different types of roads. There has been practically no change in the Act.

There is one that I would point out with the exception of permitting contributions on connecting links up to 48 feet in width. That has been the big change. But those sections having to do with King's highways have been taken and put in a King's highways section, and those having to do with secondary roads have been segregated into a secondary roads section, and those having to do with county roads and township roads in cities and towns.

Although this is a very long Act it has really just been a segregating of the sections from the Public Works Act and placing them together in the Highway Improvement Act, with practically no change in any part of the Act.

Sections 60 to 75, inclusive, agreed to.

On section 76:

HON. MR. ALLAN: I might just explain this section 76, because hon. members might wonder what that is. "Every city, town and village, except a city or . . ."—is required to contribute towards the suburban roads in order to receive their subsidy. This has to do with metropolitan Toronto and because there are such within metropolitan Toronto this exempts them from requiring to do that, because in this case the contribution is made by metropolitan Toronto; and so really it means that although the city of Toronto does not contribute to the suburban roads direct, we still pay the subsidy to the city of Toronto.

Sections 76 to 101, inclusive, agreed to.

On section 102:

HON. MR. ALLAN: Mr. Chairman, I think I should say a word of explanation on this section. It has to do with what was the highway reserve account but, as is mentioned in the bill, the highway reserve account in the consolidated revenue fund is continued under the name of the highway construction account and such amounts as are appropriated by the Legislature for the account shall be credited to that account.

The reason for changing the wording of the title of that account is that there always seemed to be a great deal of misunderstanding as to what the highway reserve account was and it seemed to be something about which there was a great deal of wonderment. Therefore, in an effort to remove the cause of that wonderment, we have called it now, as it always was, the highway construction account.

That simply means—and it is so very simple—that money was voted by the Legislature into that account, which was really current money and is to be used for construction of highways, which means really that the amount of money which is placed in that account is revenues for the construction of highways; and so now surely as a highway construction account it will be understood.

MR. SPOONER (Cochrane South): Mr. Chairman, on the copy of the bill which I have here, section 102 is marked off in solid black pencil. I have checked it and it is a revised copy of the bill. Does that section remain in the bill, 102(1) (2)?

HON. MR. ALLAN: That is right.

Sections 102 to 104, inclusive, agreed to.

MR. BOYER (Muskoka): Mr. Chairman, the hon. Minister stated that there was practically no change in prin-

ciple. May I refer to section 33 and ask him if those distances are the same as were in the regulations previously, that is with respect to the construction of buildings 150 feet from the limit of the King's highway? The words "or any road" are underlined throughout the section.

HON. MR. ALLAN: What section is that?

MR. BOYER: Section 33.

HON. MR. ALLAN: Mr. Chairman, the words "or any road" have been added for the reason that we were never certain as to whether we had control of the road, that is whether a road could be called a structure or whether it could not. It affects our building of highways in this way, that a person near an intersection of a controlled access highway where it is probable that we are going to build a clover leaf, may build a road which would service an outlet, say for a motel or some such business, and then when we came to build our clover leaf we would find that the compensation which must be paid to that person because we had taken that road away might come to a considerable sum.

It does not mean that because a person needs to have a permit, that they are not permitted to have a road, but it does enable us to know that they want to build a road and then to arrange to have it built in a location where it is not going to be necessary for our department, when we come to build a clover leaf a little later on, to have to come back and pay a good deal of compensation as a result of that service road or lane or whatever it might be.

MR. EDWARDS: Mr. Chairman, I would like to go along with the hon. member for Muskoka (Mr. Boyer) who spoke about this 150-foot distance from the centre of the road, which certainly means a lot of hardship for people who own property say along highway No. 7, people who have built motels, people who have lots that they want to sell and which

are held up by the planning department of the government or by The Department of Highways.

If the department wants the land, they had better buy it now, instead of restricting 150 feet of it.

MR. ALLAN: Mr. Chairman, it does not mean that they cannot use that land.

MR. EDWARDS: It certainly does right now in a few instances.

THE CHAIRMAN: Order.

HON. MR. ALLAN: The hon. member will notice:

Notwithstanding any general or special act, regulation, by-law or other authority, no person shall except under a permit therefor from the Minister—

In other words, he can obtain a permit for it. It is just in order to have supervision over the building and, if there is going to be a service road, for instance, or if a service road is likely, then if there is some building to be done it is hoped it may be built far enough from the highway that when we go to build that service road we will not have to buy another building or set of buildings.

MR. EDWARDS: Mr. Chairman, I would like to carry along the thought that has been presented by the hon. Minister. It is all very well and good in townships which have a planning board, but in the case of those who have not, you are going to tell a man who owns some land that he cannot do what he wants to do with it. That is what goes on.

Sections 105 and 106 agreed to.

Form 1, page 60, agreed to.

HON. MR. PORTER (Provincial Treasurer): Mr. Chairman, in view of the fact that the Opposition is not represented in the House, I would prefer not to move that this bill be reported, so that the matter may be left open if they wish

to ask any questions about this bill at some later time.

Hon. Mr. Porter moves that the committee rise and report progress.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

MR. G. H. DOUCETT: Mr. Speaker, the committee of the whole House begs to report progress, and asks leave to sit again.

Motion agreed to; report adopted.

MR. D. C. MacDONALD (York South): Mr. Speaker, before this is adopted, I draw attention to the fact that we have been assured, repeatedly during the session, and no later than this afternoon, by the hon. Prime Minister, that no contentious issue would be rammed through but would be held over.

What the hon. Provincial Treasurer has done tonight is exactly what his party does periodically at the end of a session, and over the solemn assurances of the hon. Prime Minister.

MR. G. E. JACKSON (London South): Wait until the hon. member hears what has happened.

HON. MR. PORTER: Mr. Speaker, the hon. member for York South was in the House.

MR. MacDONALD: That is right.

HON. MR. PORTER: And he did not tell us that this was a contentious matter.

MR. MacDONALD: The hon. Leader of the Opposition rose and assured the House that there were many people in his party who wanted to speak on various sections of this bill. The hon. Provincial Treasurer overruled that, in violation of the solemn assurance of the hon. Prime Minister that contentious issues would not be rammed through.

HON. MR. PORTER: Let me clear the hon. member's mind about this. I am very glad to know that he is representing the hon. Leader of the Opposition.

MR. MacDONALD: I am speaking for myself.

MR. SPEAKER: Order.

HON. MR. PORTER: The hon. member was in the House when this bill was called.

MR. MacDONALD: That is right.

HON. MR. PORTER: And he took no objection whatsoever to it.

MR. MacDONALD: I took objection to it, Mr. Speaker.

HON. MR. PORTER: The hon. member sat in his chair.

MR. MacDONALD: I took objection to it.

HON. MR. PORTER: No.

MR. MacDONALD: You bet I did.

HON. MR. PORTER: And he heard the bill being called.

MR. MacDONALD: I took objection to it being called.

MR. SPEAKER: Order. To the hon. member for York South, and the hon. Provincial Treasurer, may I say that the bill has just been reported as having made progress. It is not completed in any shape or form, and that was the motion.

HON. MR. PORTER: I may say, Mr. Speaker, that the bill has not been reported.

MR. MacDONALD: It has just been reported.

MR. JACKSON: No, it has not. The hon. member has not been here to hear it.

HON. MR. PORTER: The bill has not been reported and I stated to the House that if any hon. members of the Opposition wished to reopen this bill at any other time during this session, before it is reported, it is open to them to do so. This bill is still in committee?

MR. MacDONALD: It is still in committee?

MR. JACKSON: Yes, of course it is. Sit down.

HON. MR. PORTER: It is still in committee.

MR. MacDONALD: In other words, we will go back at it section by section?

HON. MR. PORTER: If the hon. member wishes to do so.

MR. MacDONALD: Fine.

MR. J. YAREMKO (Bellwoods): Why does the hon. member for York South not rise and apologize?

MR. JACKSON: He was not even here, he does not know what was going on.

MR. MacDONALD: I am not rising to apologize, but when I listened to the hon. Prime Minister assure the House that no contentious matter was going to be rammed through, and then an action of this kind takes place, that is a breach of faith.

HON. MR. PORTER: There was no undertaking at all covering this bill tonight. The hon. member for York South knew exactly what the hon. Prime Minister said about the order of business tonight and sat there and made no objection to it. He sat through a number of sections of this bill and then walked out of the House without taking any objection.

MR. MacDONALD: I am sorry, Mr. Speaker, but I do not like the hon. Provincial Treasurer to put words in my mouth. I objected, along with the hon. Leader of the Opposition, to this bill being raised at this stage of the night, a 106 section bill, an important bill, being dragged in at 11.00 o'clock.

HON. MR. PORTER: May I inform the hon. member that I remember one night when I was called upon for my estimates for The Department of Education at 1.00 a.m., and I went on until 4.00 or 5.00 o'clock, in fact I think it was almost 6.00 o'clock in the morning, and it did not worry me.

MR. JACKSON: That is right.

HON. MR. PORTER: The hon. member for York South apparently thinks that 11.15 is too late.

MR. MacDONALD: What the hon. Provincial Treasurer should remember, then, is the assurance of the hon. Prime Minister this afternoon and many times before, that any contentious issue would be held over, and if he will look at the record he will find that the hon. Leader of the Opposition indicated that this was a contentious issue and asked that it be held over; then the hon. Provincial Treasurer chose to ram it through.

MR. JACKSON: Is it not still held over, Mr. Speaker?

HON. MR. PORTER: It is still open, it is not concluded, it is not reported.

MR. G. C. WARDROPE: Mr. Speaker, may I draw the attention of the House to the fact that the government in power in Ontario has, as usual, tonight carried on the government of this province minus all the Opposition. I think that is a very unfortunate situation, but I would like to draw to your attention, that the government hon. members were here, the Opposition had left.

HON. MR. PORTER: They are all outside in the room behind there, getting mad, that is where they are.

MR. MacDONALD: We left because we had been assured that this kind of thing would not be brought up in view of the assurances made by the hon. Prime Minister. If hon. members opposite want to ram it through, go ahead and ram it through.

MR. R. GISBORN: The hon. member for Port Arthur (Mr. Wardrope) must realize that at one period of the night there were only 3 hon. members on the government side of the House.

We thought that they were going to quit altogether.

HON. MR. PORTER: Oh, no, Mr. Speaker, we had a quorum present at all times.

MR. SPEAKER: There has always been a quorum in the House, and well over a quorum.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 11.20 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, March 21, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Thursday, March 21, 1957

First report, standing committee on mining, Mr. Noden	1427
City of Windsor, bill respecting, referred back to committee of the whole House for amendment	1427
Ontario Municipal Improvement Corporations Act, bill to amend, Mr. Porter, first reading	1428
Ontario Fuel Board Act, 1954, bill to amend, Mr. Porter, first reading	1428
Gas Pipe Lines Act, 1951, bill to amend, Mr. Porter, first reading	1429
Financial Administration Act, 1954, bill to amend, Mr. Porter, first reading	1429
Milk Industry Act, 1957, bill intituled, Mr. Goodfellow, first reading	1429
Ontario Cancer and Treatment Research Foundation and Ontario Cancer Institute, bill to reconstitute, Mr. Phillips, first reading	1430
Statute Labour Act, bill to amend, Mr. Allan, first reading	1431
Gordon William Innes, M.P.P., bill respecting, Mr. Roberts, first reading	1431
Legislative Assembly Act, bill to amend, Mr. Roberts, first reading	1431
Ontario Water Resources Commission Act, 1957, bill intituled, Mr. Porter, first reading	1431
Hospital Services Commission Act, 1957, bill intituled, Mr. Frost, first reading	1432
Department of Transport, bill to establish, Mr. Frost, first reading	1433
Liquor Licencing Act, bill to amend, Mr. Dunbar, first reading	1434
Liquor Control Act, bill to amend, Mr. Dunbar, first reading	1434
Presenting report, Mr. Dunbar	1435
Farm Products Marketing Act, bill to amend, reported	1436
Estimates, Department of Public Works, Mr. Griesinger	1448
Motion to adjourn, Mr. Frost, agreed to	1458

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, MARCH 21, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. W. G. NODEN: Mr. Speaker, I beg leave to present the first report of the standing committee on mining and move its adoption.

CLERK OF THE HOUSE: Mr. Noden presents the first report of the standing committee on mining, as follows:

Your committee begs to report the following bill with certain amendments:

Bill No. 86, An Act to amend The Mining Act.

Motion agreed to.

MR. SPEAKER: Motions.

HON. W. K. WARRENDER (Minister of Municipal Affairs): Mr. Speaker, before the orders of the day, I have a matter to bring to the attention of the House concerning Bill No. 31, An Act respecting the city of Windsor.

This matter has been brought to my attention by the chairman of the municipal board and I should like to give a few words of explanation before making the motion.

There is urgent need for legislation which will permit the city of Windsor to comply with one of the conditions attached to the bequest to the city in the will of the late E. A. Cleary, Q.C., who died June 10, 1955.

Mr. Cleary's will and a codicil thereto provided for a bequest to the city of Windsor of the entire residue of the estate amounting to approximately \$550,000—on trust:

to use the said residue towards the cost of building a civic auditorium in the city of Windsor . . . upon the following conditions:

(a) That the city council accept or reject this gift by notice in writing to my executor or personal representative within 5 months of the date of my death;

(b) That the city undertake to commence actual building operations within two years of the date of my death and to continue with the building as expeditiously as possible, with power in the absolute discretion of my executor to extend the time for commencement of the construction of the building for another term of two years, but no longer;

(c) That the construction and management of the civic auditorium be placed in the hands of a committee of trustees appointed by the city council consisting of representative business and professional persons of the city of Windsor who have shown a keen interest in the city, and one of whom shall be an executive officer of the Canada Trust Company.

The will then provides that if the city council does not accept the bequest or, having accepted it, fails to meet the foregoing conditions, the bequest to the city shall fail and the residue of the estate is given to very distant relatives and specified charities.

The city of Windsor has, by formal resolution passed within 5 months of the date of the death, duly accepted the bequest.

The city has also made application to the Ontario municipal board for approval of a proposed capital expenditure of \$1,110,496, of which \$148,278 is to be covered by debentures at the present time, the balance being made up as follows:

Proceeds of Cleary estate bequest ..	\$550,000
Civic development reserve account ..	277,218
Riverfront development reserve account	135,000

It was upon examination of the papers filed in support of the city's application to the municipal board that there was discovered the serious legal obstacle in the conflict between the terms of the will with respect to the constitution of the committee of trustees, as provided in paragraph (c) above, and the provisions of section 386, 53(e) of The Municipal Act. That section reads as follows:

The council may appoint not less than 3 and not more than 7 resident ratepayers to act on its behalf as a board of management for any undertaking under this paragraph, and where the board is composed of 5 or more persons, at least 2 shall be members of the council.

As this section provides the only legislative authority for the construction of an auditorium, and the paragraph specifically sets out the type of management which the council may appoint, it is clear that the city cannot legally comply with the terms of the will in this respect.

If the bequest is not to be lost to the city, there must either be a change in the

general legislation or, possibly, some special legislation which will fit this particular case.

Unfortunately, the serious nature of the problem was not realized when the city's private bill was prepared for this session. This bill was submitted to, and approved by, the private bills committee, and had passed through the committee of the whole House and actually received third reading.

I move that the third reading of Bill No. 31 on Monday last, March 18th, be rescinded, and the bill be referred back to the committee of the whole House for amendment.

Motion agreed to.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATIONS ACT

Hon. D. Porter moves first reading of bill intituled, "An Act to amend The Ontario Municipal Improvement Corporations Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this is to raise the money up to the maximum of \$150 million to various treasuries in Ontario to make loans and advances out of the consolidated revenue fund.

THE ONTARIO FUEL BOARD ACT

Hon. Mr. Porter moves first reading of bill intituled, "An Act to amend The Ontario Fuel Board Act, 1954."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the main purpose of this bill is to give the Ontario fuel board jurisdiction over fuel oil equipment and the ancillary powers in installation of fuel oil equipment.

At the present time, under the statute, the board has exercised powers to regu-

late the installation of gas appliances, and that has become quite a serious problem with natural gas coming into this part of the country, and it has spread to some of the other areas where there is an extension of gas systems.

A system was worked out for the control of the installations; before that, there was no way of dealing with it. This will apply in a general way to give the board the power to act in a similar way with respect to fuel oil equipment.

THE GAS PIPE LINES ACT

Hon. Mr. Porter moves first reading of bill intituled, "An Act to amend The Gas Pipe Lines Act, 1951."

Motion agreed to; first reading of the bill.

He said: In the corporations which have power of expropriation of land for gas transmission lines under the present Fuel Board Act, all the powers of the municipal board with respect to gas pipe lines, including compensation on expropriation, were referred to the fuel board.

At that time, it was not contemplated that appeals from arbitrations by county court judges should be dealt with by the fuel board, because the fuel board is not, we think, the appropriate authority to deal with it.

The effect of this bill is to outline the expropriation procedure and compensation procedure, and to substitute the Ontario municipal board for the fuel board for those purposes.

THE FINANCIAL ADMINISTRATION ACT

Hon. Mr. Porter moves first reading of bill intituled, "An Act to amend The Financial Administration Act, 1954."

Motion agreed to; first reading of the bill.

He said: This amendment, Mr. Speaker, deals with the payment out of

the consolidated revenue fund for legislative and departmental printing.

Under the present section, the Queen's printer is entitled to—the department may, out of the consolidated revenue fund, have departmental printing and stationery delivered to the Queen's printer up to the amount of \$350,000. It is found that it should be increased to \$650,000.

That simply means the supplies which eventually will be paid for by the various government departments; that each department does the printing, and orders this printing, and the bills will be paid eventually by this department, but it will allow the Queen's printer in the meantime to carry supplies to that extent.

THE MILK INDUSTRY ACT

Hon. W. A. Goodfellow moves first reading of bill intituled, "The Milk Industry Act, 1957."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, for the most part this is a redraft of The Milk Industry Act of 1954, but there are a few new principles which have been introduced under the new Act to further co-ordinate the dairy groups in the dairy industry.

Under the present Act, there is a provision for a milk products board as well as a milk control board. It is proposed under this Act to have one board, the milk industry board, to administer the milk industry. This milk industry board will have all the powers presently vested in the milk control board, as well as the milk industry board.

There is provision in this new Act for formula pricing; that is, it is the intention or the thinking at the present time, since formula pricing has been accepted by both the processors as well as the producers, which took effect as of November 1st last year, that it was felt advisable that formal provision for formula pricing should be in the Act;

and it is the intention to have a continuing formula pricing committee to advise on formula pricing.

There is also provision made in the new Act, whereby, on application, the Ontario whole milk league will be the bargaining agent for the whole milk producers in all markets of Ontario. That is on application and is optional.

We are also making provision in this new Act whereby similar provision which exists, insofar as bonding of dairies is concerned in the province to protect the producers, that this bonding provision will be extended to cover privately owned cheese factories and creameries. I think, Mr. Speaker, those are the main new provisions in this new Act.

ONTARIO CANCER AND TREATMENT RESEARCH FOUNDATION AND THE ONTARIO CANCER INSTITUTE

Hon. M. Phillips moves first reading of bill intituled, "An Act to reconstitute the Ontario Cancer and Treatment Research Foundation and the Ontario Cancer Institute."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the new Cancer Act of 1957 will supersede all the existing cancer legislation, repealing The Ontario Cancer Treatment and Research Foundation Act of 1943, The Ontario Cancer Treatment and Research Foundation Amendment Act of 1954, and The Ontario Cancer Institute Act of 1952.

The new Cancer Act, 1957, continues the Ontario cancer treatment and research foundation in part, and the Ontario cancer institute in part; that is, the first part deals with foundation, and the second part with the institute.

Substantially the same powers are provided to the Ontario cancer treatment and research foundation with certain improvements. The work of the On-

tario cancer institute, under the Act of 1952, was to plan, construct and establish buildings and other accommodation for research, diagnosis and treatment of cancer. The construction of the new hospital on Wellesley Street will, in all probability, be completed before the end of this present calendar year.

Part II of the new Act reconstitutes the institute along new lines, and gives the institute specific powers to maintain, manage and operate a provincial hospital with facilities for cancer research, diagnosis and treatment.

Although the institute is continued as a separate corporation, the foundation will have a strong representation on the institute, consisting of 5 persons; the other members of the institute will consist of two from the University of Toronto, one representative from each of the teaching hospitals in Toronto—namely, the Toronto General Hospital, the Hospital for Sick Children, St. Michael's Hospital, Toronto Western Hospital, and Women's College Hospital.

Part II of the Act gives the institute full power to conduct the affairs of the hospital and engage in cancer treatment and research, subject, in certain sections, to the approval of the Honourable the Lieutenant-Governor in Council.

We feel that the new cancer hospital will provide this province with an opportunity for an extremely valuable and unique approach to the discovery of the causes of cancer and the best methods of treating the disease.

Our 4 medical universities in the province—namely, Queen's University, the University of Ottawa, Western University and the University of Toronto—will be able to take advantage of the excellent facilities of the hospital and the institute for the training of post-graduate specialists in cancer.

I feel we are on the threshold of great developments in the field of cancer treatment, and that the people of Ontario will have provided, here, the best cancer hospital of its kind on the North American continent.

In addition, we shall be able to encourage our scientists to remain in this province, and indeed in Canada, and provide them with the facilities for thoroughly investigating the causes of cancer, which is so necessary for the development of new treatment techniques.

I am pleased to say that, associated with our 4 universities, we have experts in the field of radiology, radiotherapy, physics, especially as it pertains to electronics, and these experts are well qualified to advise and assist the staff of the institute.

This new Act will come into force on proclamation.

THE STATUTE LABOUR ACT

Hon. J. N. Allan moves first reading of bill intituled, "An Act to amend The Statute Labour Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this an Act to assure that everyone owning land in unincorporated townships will perform or pay for statute labour, and removes any doubt as to whether they are exempt after 60 years of age.

GORDON WILLIAM INNES, M.P.P.

Hon. A. K. Roberts moves first reading of bill intituled, "An Act respecting Gordon William Innes, M.P.P."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, under The Legislative Assembly Act, there are certain restrictions placed on hon. members respecting the accepting of any public money of Ontario, for various reasons. There are some exceptions.

This happens to be a case where the highest tender for a piece of property

was made by the hon. member mentioned, and in this case the highest tender is the best, and in order to avoid any possible legal complications, this bill is being introduced to make it clear that, by paying this amount of money and taking this land, the hon. member would not in any way endanger his seat.

THE LEGISLATIVE ASSEMBLY ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Legislative Assembly Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, any resemblance in this particular Act to the immediately preceding bill is purely coincidental. This particular Act provides for the addition or extension of these exemptions to cover an hon. member who receives payment from the Crown under The Public Hospitals Act or The Unemployment Relief Act for the burial of indigents, who are resident in territories without municipal organization.

THE ONTARIO WATER RESOURCES COMMISSION ACT

Hon. Mr. Porter moves first reading of bill intituled, "The Ontario Water Resources Commission Act, 1957."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the purpose of this bill is to continue the Ontario water resources commission with expanded and clarified powers, especially with respect to the financial aspect of the commission with relation to water-works and sewage works projects undertaken by the commission, and transfer to the commission the powers now exercised by The Department of Health under sections 101 to 105—that is,

sewage and sewage works—and to transfer to the commission the power exercised by The Department of Mines under The Water Well Drillers' Act.

THE HOSPITALS SERVICES COMMISSION ACT

Hon. L. M. Frost moves first reading of bill intituled, "The Hospitals Services Commission Act, 1957."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, in giving a very short explanation of this bill—because there has been considerable explanation given in the House heretofore—may I read the preamble which is part of the bill. It is not a usual procedure in this House, but I think it is a justifiable procedure at this time. The preamble reads:

That *whereas* it is in the public interest to establish a plan of hospital care insurance for the people of Ontario, universally available to all without regard to age, financial circumstances or condition of health, and *whereas* it is desirable to extend the powers of the hospital services commission of Ontario in order that it may put such a plan into effect as soon as practicable . . .

That, Mr. Speaker, is the whole intent of this bill.

The first part of the bill is really a re-enactment of the bill which we passed last year, The Hospital Services Commission Act of 1956. There are some changes, but it is substantially the same.

The second part of the bill deals with the needs of a hospital care insurance plan. I think it is thoroughly apparent to hon. members of this House that the action we must take, under this bill, is predicated at the present time on an agreement which is encompassed by the Porter-Martin correspondence which was tabled in the House a few days ago.

The form agreement is in process of negotiation. As a matter of fact, as was indicated in the correspondence, we have exchanged forms of agreement, and at the present time the hon. Provincial Treasurer (Mr. Porter) has another draft agreement, and I imagine that the settlement of the terms is only a matter of a very short time.

I understand that the agreement, of course, has to be in a form acceptable to other provinces which are interested in this plan. Therefore, the section relating to insurance is very largely enabling, as it must be.

MR. F. R. OLIVER (Leader of the Opposition): May I ask the hon. Prime Minister a question? He said the plan would have to be cleared with the other provinces. What I want to get at is this, is it a fact that Ontario has moved closer toward the final composition of a plan than any of the other provinces?

HON. MR. FROST: I would not like to say that, but it appears—I can answer the question this way—that the province of Ontario and the federal government are the first combination in the history of this country. I think I can put it that way.

I would like to say this, that I do not want to derogate what the province of Saskatchewan has done—

MR. MacDONALD: They have had one for only 12 years.

HON. MR. FROST: I do not want to offend the hon. member for York South in that relation; but I would say that we have, in any event, arrived at an agreement which will enable us to proceed.

There are, of course, certain conditions about the number of provinces and the majority of the people of Canada, which have to be composed, but I would say that what is known as the Ontario proposal, which was formulated arising out of the bill of last year, and which was submitted to the federal government on

November 2, 1956, has been accepted without the change of a punctuation mark as a plan which is acceptable to both parties, and to the agreeing party in this case with us, that is the federal government. I think that is highly satisfactory.

I would say to hon. members of this House that part II of this bill is, as it has to be, in very general terms. It will enable the commission to proceed and, first of all, arrange for the necessary complicated administration.

It also enables the commission to make agreements with, for instance, Blue Cross if they should have the occasion to do certain portions of the work. It enables the commission to formulate its plans and to discuss those plans with interested parties.

Last Tuesday we had a long conference with representative members of the Ontario Federation of Labour. There will have to be endless conferences of that sort.

Today someone raised a point involving one of the plans of insurance presently in force in the province of Ontario; but I would say this, that a year from now, as a result of the agreement that will be arrived at and formalized in the interim, and as a result of the one that has taken place, no doubt there will be a very comprehensive bill introduced next year which will enable the initiation of the plan on or before the D-day we mentioned in the proposals submitted to this House.

MR. OLIVER: Might I ask the hon. Prime Minister, is it his understanding that the plans will be identical as between the provinces and the federal government?

HON. MR. FROST: No, I do not think so. The hon. Provincial Treasurer may be able to explain this better than myself. I think the master agreement would be the same, but the implementation on the part of the various provinces would be according to their own requirements.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I think the hon. Prime Minister is quite right so far as he has gone. So far as the plans are concerned, I know that the plan operating in General Motors in Oshawa right throughout their plant is a comprehensive Blue Cross plan, and that is a much better plan than the standard board care, and that it will take a little time to—

HON. MR. FROST: In reply to the hon. member for Oshawa, I think he will see the desirability of the commission getting down to work right away on these things, because they are very many and complicated. They involve possibly several thousand different kinds of employer and employee agreements in the province of Ontario.

THE DEPARTMENT OF TRANSPORT

Hon. Mr. Frost, seconded by hon. Mr. Porter, moves first reading of bill intituled, "An Act to establish The Department of Transport."

Motion agreed to; first reading of the bill.

He said: This is a bill which simply gives legislative approval for the institution of The Department of Transport, which I proposed to the House some time ago and which has been the subject of comment and debate since that time.

May I say that, in the establishment of a department to deal with the problems of transport, I would not at this time, in introducing the bill, attempt to explain the possible ramifications of that department, because that can be discussed on second reading. But I will say to hon. members of the House that the bill, among other things, will provide for the studies recommended in the report of the committee on toll roads and highway financing.

I think it puts the government in this position, that while we have acted on certain phases of the committee report, this gives us the means, and the very

definite means, of carrying out the other recommendations in the highway report. Furthermore, I would say, in addition to that, it will provide for administration in relation to highway safety, highway traffic, and highway transport, to a degree that is not possible under present conditions.

MR. OLIVER: May I ask the hon. Prime Minister if this is to be a full-fledged department with a Minister?

HON. MR. FROST: Yes, of course, there will be a Minister, but I may say to the hon. Leader of the Opposition that I do not propose at the present time anyway that there should be another Minister appointed; but this matter can be—

MR. OLIVER: Is it set out in the bill?

HON. MR. FROST: No. That will have to be dependent upon consultation with the Honourable the Lieutenant-Governor.

THE LIQUOR LICENCING ACT

Hon. G. H. Dunbar moves first reading of bill intituled, "An Act to amend The Liquor Licencing Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, these amendments have the purpose of clarifying what has been obviously understood in the liquor licencing law.

The first is to make it clear that women's beverage rooms are for women, and that a man may enter one only when he is escorting a female.

Regarding the second section, 68(a): We want to change this, where it mentioned just the municipalities that have grown over the 50,000 population. I want to make it clear that any municipality in the province of Ontario, regardless of population, has to have a vote of the people before liquor can be sold in the municipality.

Subsection (3) of the Act clarifies the definition as to whom a licence may be issued, transferred or renewed.

THE LIQUOR CONTROL ACT

Hon. Mr. Dunbar moves first reading of bill intituled, "An Act to amend The Liquor Control Act."

Motion agreed to; first reading of the bill.

He said: The purpose of this amendment is to simplify the procedure which arises from the use of liquor permits. It abolishes some of the processing which has grown completely unnecessary, and which is cumbersome and annoying.

Great consideration has been given to the matter of the liquor permit. There have been arguments advanced that the same should be abolished.

It should be pointed out, however, that the liquor permit has its own particular value and use. It is desirable to retain the elements of control which are within the Act. The purchase of liquor is a right which is dependent upon good conduct and the observance of law. The permit is of particular use in the establishing of age of those who enter beverage rooms and licenced premises.

It is not necessary to have a licence permit in order to enter a premises where liquor is sold. On the other hand, a very heavy onus is thrown upon the proprietors of establishments to ascertain the age of those persons who enter the premises. If such a person is asked to establish age, one of the ways it can be done is by producing a liquor permit.

This is the liquor permit which will take the place of the book. It will be a small card which can be carried in one's portfolio or vest pocket. It is like the new marriage certificate we issue, or the birth certificate.

There will be nothing marked on it. It will have to be presented when purchasing liquor. The purchaser will have

to make out the same slip and name the liquor he is purchasing, and take it to the vendor and present the card in order to purchase liquor.

There is not much more to that. We have not done away with any of the protection it gave to the holder or to the public. Every safeguard is effected the same way.

Another change we have made is in regard to tourists entering the province. They buy the same permits — the same cards — as do the citizens of Ontario. They pay the same price and the permit or card is good for one year.

MR. MacDONALD: What is the charge?

HON. MR. DUNBAR: One dollar.

MR. T. D. THOMAS: Is it deductible for income tax purposes?

HON. MR. DUNBAR: One can always get around that.

MR. H. C. NIXON (Brant): Will this certificate have to be purchased by residents of Ontario every year, or will one be good for the rest of our lives?

HON. MR. DUNBAR: Every year.

MR. NIXON: But the hon. Provincial Secretary said it was like the marriage certificate and the birth certificate.

HON. MR. DUNBAR: The longer one lives, the better it is for the hon. Provincial Treasurer of this province. It will be a \$1 million income every year, and who would throw that into the lake?

MR. SPEAKER: Before the orders of the day, I would like to welcome members of Burlington Public School, Burlington; Ryerson Public School, Toronto; Harmony Road School, Oshawa; and District High School, Blind River.

These students have come to view the proceedings of this House and we extend a welcome to them.

HON. G. H. DUNBAR (Provincial Secretary): I beg leave to present to the House the Thirty Seventh Annual Report of The Department of Labour, province of Ontario, for the fiscal year ended March 31, 1956.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Speaker, before the orders of the day, I would rise to a matter of privilege and I would like to draw the attention of the hon. members of the House to a certain editorial in the morning's issue of the *Globe and Mail* entitled "Weak and Silly."

I suggest to the House that that editorial is deliberately offensive to the official opposition of this province. The editorial displays a purposely erroneous analysis of the provincial party opposition in reference to fiscal policy.

I quite appreciate the fact that this great institution, the newspaper, has the privilege of expressing itself freely, and I am in no way complaining in that respect. I quite acknowledge its right to be the mouthpiece and publicity agent of the government.

But if the policy of the government is going to be continued to be debated in newspaper headlines, which dangerous tendency I have noticed during this past session, then I think, the charge which has been made against the official opposition must be challenged.

It is true we are speaking from different forums; we are in this forum of the House and the newspapers are on their level.

I suggest and hope we can meet in some common forum, and with that thought in mind I wish to advise the House that I have today advised, or at least, written a letter to the editor of the *Globe and Mail* advising him that at my own expense I have arranged, immediately after this session is completed, time on the local television sta-

tion in Kitchener for whatever period of time is necessary to effectively debate this issue. I suggested that the debate be between any representative of that newspaper, its editorial writers or any employee of the company, and myself, at such time after the session ends as meets the convenience of the newspaper.

MR. S. L. HALL (Halton): Mr. Speaker, before the orders of the day I would like to make an announcement to the hon. members of this assembly. The junior farmer debating team of Halton county, who were the champions last year, are still the champions this year, and have now won it for two consecutive years against the county of Peel.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole. Mr. C. E. Janes in the chair.

THE FARM PRODUCTS MARKETING ACT

House in committee on Bill No. 130, An Act to amend The Farm Products Marketing Act.

Sections 1 and 2 agreed to.

MR. OLIVER: Mr. Chairman, on the bill as a whole rather than on any particular section, I want to first of all ask the hon. Minister of Agriculture (Mr. Goodfellow) if this bill has the approval of the farm organizations generally? I do not expect the hon. Minister to say it contains all that they want, but does it do violence to some of the things they want? Could I hear the hon. Minister on that for a moment?

HON. MR. GOODFELLOW: Mr. Chairman, in reply to the question of

the hon. Leader of the Opposition, we have consulted very freely with the farm organizations, particularly with their solicitor who, in my opinion, is at this point an authority on farm marketing legislation.

We have incorporated into these amendments, for the most part, with about two small exceptions, all the recommendations which we received from the Ontario federation of agriculture.

Also, this bill is entirely satisfactory to the Ontario federation of agriculture and the committee groups under the federation.

MR. OLIVER: That was my impression that I gained from the organizations themselves, that they were pretty well satisfied with what the government was proposing to do by this legislation.

In a general way, I want to say most emphatically that we not only appreciate legislation of this kind, but we recognize the great need for it that exists for the farmers of this province at this time. So far as we are concerned in the Liberal party, we are not only willing but anxious to go along with the government in this matter, to see to it that this legislation is put on the statute books and becomes an authority in the interests of the farmers.

While we are on the bill, I think it would be an appropriate time to discuss what has transpired between the Ontario Department of Agriculture and the hon. Minister of Justice in Ottawa relative to certain amendments that have been requested by the provincial government.

HON. MR. FROST: Mr. Chairman, the correspondence relating to these matters has been tabled. Last night I mentioned this matter, and due to the leadership of the Ontario government or the people from Ontario, the matter of the validity of farm legislation affecting farmers from coast to coast in Canada was submitted to the Supreme Court of Canada.

It was a very complicated and involved matter, involving a very complicated and involved judgment. The judgment was rendered by the Supreme Court of Canada, after many months, on January 22nd last.

Studies were immediately instituted here. The judgment is a very complicated document. I think hon. members of the House appreciate that.

After discussion with Mr. Magone, the Deputy Attorney-General, who I think is one of the outstanding constitutional lawyers in Canada, immediately upon receipt of the judgment—as a matter of fact, we had the judgment in its essential parts telephoned to us—studies were commenced at once by ourselves, by the Ontario federation of agriculture, and by the Canadian federation of agriculture.

As a result, on February 26th the matter was submitted to the hon. Minister of Justice.

I point out to the hon. Leader of the Opposition that it was submitted on February 26th, not on March 10th, as was said last night. The hon. Leader of the Opposition did not dig sufficiently deeply into this matter but simply took the top letter on the file. It was on February 26th, one month and four days after the rendering of this judgment.

After consultation with our various counsel on this matter, it was submitted to the government of Canada.

I want the hon. Leader of the Opposition to bear this in mind, that some years ago in this House—in fact many times in this House—I promised the House and the farmers of Ontario to give them the best farm legislation that could be devised. I promised to fight the matter in the courts.

I come to them today with the promise fulfilled. It has been fought through by our solicitors to the highest court in the land, and our actions have been, in the main, confirmed by the highest court in the land.

Of course, there are obvious difficulties that come up in the legislation and some

of those things were understood at the time.

The other thing is this: I promised to this House and the farmers of this country to bring this matter up in the highest conference in this land, the federal-provincial conferences: I come to this House and say that I have done that.

Furthermore, I promised this: It was impossible to resolve some of the complicated constitutional questions by ourselves, that is, by the province or by the federal government separately. But we were prepared to co-operate in the form of passing complementary legislation that would plug up the gaps that existed in our constitutional powers.

I would say that the letter of the hon. Attorney-General, which I believe has been explained to the committee of this House, involved a complicated legal matter and we have covered that. We are now waiting a reply from Ottawa, and hope for the passage of that legislation before the dissolution of that House and that government goes to the people.

It was on that very important point that I was asking for the assistance and the commendation of the hon. Leader of the Opposition, who apparently has very close relationship with the government in Ottawa.

I think it is time, when we are considering this legislation, to take a look at the plight of our Ontario farmer and consider that he is being overlooked to a very large extent by the government at Ottawa. I would ask hon. members to give some consideration to this.

As a matter of fact, when the hon. Leader of the Opposition is holding some of those caucuses up in Grey county, he might raise the point of the plight of the farmers of this province.

I think it is reasonable and fair to say that the farmers of Ontario are like the rest of the people of Ontario. They are actually penalized by the fact that they are residents of the largest province, and the major earning province, of this country. I would say that the hon. Mr. Gardiner is apparently a good repre-

sentative of the west, and perhaps some of the other provinces.

I would like some of the Ontario representatives to rise and fight for the farmers, and obtain things for the farmers of this province such as are being obtained elsewhere.

I will not elaborate on this, but I just looked over one or two Acts; for instance, here is The Prairie Farm Rehabilitation Act. I wonder why that would not apply in the province of Ontario, if the government of Canada were awake to the plight of the farmers such as has been described in this House on various occasions.

Here is an Act which is designed on a two-fold basis, to provide for land utilization involving the resettlement of farmers from crop-failure areas into more suitable locations. Of course, we do not have such adverse climatic conditions, but we have other conditions which affect our farmers adversely.

The other one is the matter which is costing, and is going to cost, this province a huge sum of money, and that is water conservation and land reclamation, involving small water power development projects.

In 1941, the federal hon. Minister was authorized to undertake the development, construction and operation of projects, and was also authorized to enter into agreements with a province, municipality or person for that purpose.

I would say to the hon. Minister of Agriculture we would be very glad to have an Act like that pertain to the province of Ontario, that would assist our embattled farmers in this province.

In the last 10 years, the federal government has spent more than \$37 million on those projects in the west. This year it is going to spend \$4.7 million for the west, on something which is not available to our people here.

For the Assiniboine River area there are estimates this year tabled by the hon. Mr. Harris just recently for \$250,000, and in the last year in that area alone more than \$1 million has been spent.

MR. MacDONALD: That is only an effort to try to help hon. Ross Thatcher and hon. Hazen Argue. That is all that is.

HON. MR. FROST: The hon. member for York South thinks that is the reason it is streamlined into the west instead of the province of Ontario?

MR. MacDONALD: That is why it is streamlined into that particular area.

HON. MR. FROST: The hon. member and myself might claim some area of agreement on this matter.

In major irrigation and reclamation projects in the west, there has been expended in the last 10 years over \$62 million, and not a five-cent piece in the province of Ontario, and this year there is over \$7 million in the federal estimates in connection with that.

I think it is time that somebody down in Ottawa looked after the farmers in Ontario for a change.

If this is good medicine for those great provinces in that great area out there—and mark you, this would apply to the province of Alberta, one of the very wealthy provinces, as well as the province of Saskatchewan and the province of Manitoba—it would seem to me that some should be applied to this province and to the province of Quebec.

Under The Marshland Rehabilitation Act, for instance, this year's estimate for that is about \$2 million, which is highly desirable, with nearly \$14 million for the last 10 years being spent on that. I do not find anything here for the province of Ontario, in connection with land reclamation.

In the last 10 years there have been upwards of \$116 million expended on all such projects, and this year there is a total vote of nearly \$14 million.

Mr. Chairman, these projects which are sponsored by the federal government pertain to several provinces in Canada, but not to the provinces of Ontario and Quebec. It is in Ontario

and Quebec, most particularly here in the province of Ontario, that our farmers and others must earn the money to make very large adjustment grants of \$140 million to these other provinces. I do not think that the farmers of Ontario are getting a square deal.

This next point is a small matter in relation to the others, but an important one. In the construction of farm ponds, I point out that there is assistance to farmers in providing up to \$125 toward the cost of excavating—that is, 25 per cent., to a maximum cost of \$500 to a combination of two or more farmers. That is a small thing in itself, but surely that ought to apply to the farmers in Ontario.

If we are going to supply most of this money for the federal government and have great sums of this money go into these adjustment grants, certainly it is about time the farmers of this province got a fair deal.

I would be very glad to give the hon. member the particulars of these few notes that I was able to look up in a very hurried way.

May I also refer him to The Prairie Farmers Assistance Act. This Act, which is predicated upon an assessment of a one per cent. levy on certain types of farm produce, including wheat, barley, oats and rye, is of course collected from the farmers. In the last 18 years there has been a deficit in the fund of \$99 million that has been paid out of the ordinary funds of the Dominion of Canada, but not one cent. percolates down to the farmers in this province who are having such a tough time. I say this to a government that thinks apparently we can operate a hospital plan without any costs, that they have paid, in administration of this plan over the last 10 years, \$37 million. They have gone in the hole by \$99 million, but in addition to that they have paid administration costs of \$37 million and are making provision for the payment of \$4.8 million again this year.

MR. MacDONALD: That is the sinews of the Liberal machine in the west.

HON. MR. FROST: I do not know. I think it is about time some of these sinews, whatever they are used for, come down here and help out the farmers of the province of Ontario.

In the next few months there is going to be a lot of weeping and wailing over the plight of agriculture in the province of Ontario, and I think perhaps it is a good time, now that these exchanges are taking place with Ottawa, that our farmers here in Ontario get cut in for some of these things. In The Prairie Farm Assistance Act, I would point out the total payments since 1935 in that fund have been \$185 million.

This was originally designed to assist farmers in particular areas where loss has occurred as a result of such things as flooding. But it is something like this reserve fund for assistance in the west; it does get expanded out into other things. Unfortunately, however, it has not been expanded sufficiently to assist the farmers of this province.

I would say that it seems only fair that the farmers of Ontario, and, indeed, the farmers of our sister province of Quebec, should have some vital assistance in soil and water and conservation programmes and matters of that sort.

I would point out that when we get down to it — the hon. Minister of Planning and Development (Mr. Nickle) has an arrangement in connection with conservation plans, but they have to be away up in the millions—

HON. MR. NICKLE: It is \$5 million.

HON. MR. FROST: —they will not contribute a cent unless it is \$5 million. I may say that, to use the language of the streets, "5 million bucks" is a lot of money; but when it comes to a matter of the federal government contribut-

ing \$125 to a farm because it is in some other part of Canada. I think it is time we had a look at these things. I do not think it is necessary to get out a microscope to see that the farmers of the province of Ontario are not getting a fair deal under present federal legislation.

I would say to the hon. Leader of the Opposition, to get back to the purpose of the letter of February 26th, that it amounts to this:

The finding of the Supreme Court of Canada could create an almost insurmountable barrier to the carrying on of farm legislation, or farm marketing legislation programmes. Left alone, it would become a very easy solution, if there was co-operation from the other side; and I think it would be unfortunate if this matter was allowed to run over for a period of a year before any action was taken.

It is roughly this, and the hon. Attorney-General can correct me, because I am only a Lindsay lawyer and sometimes I might get these things tangled up—but here is the situation:

The finding of the Supreme Court of Canada is that if products are processed within Ontario for consumption in Ontario, then they are subject to our plans; if they are not, then they are not subject to the province's Farm Marketing Act. As a matter of fact, it could be an insuperable arrangement, but it is not insuperable; it is a very easily remedied situation if there is legislation in the statutes at Ottawa complementary to our legislation.

I would say that it would be very simple to have Mr. Magone and our advisors discuss the complications of that kind which are, indeed, involved in legal points, or we could have discussions with Mr. Harris, the very able solicitor for the federation of agriculture. Either one of those men, or, indeed, the hon. Attorney-General, and, perhaps, my good friend, the hon. Minister of Agriculture, might have mastered the legal intricacies involved.

There is one point, of course, that will raise a question, and that is, that there is a change here in the onus of proof. I always have some objections myself to alterations in onus of proof.

Years ago when I used to defend always-innocent persons in connection with alleged offences concerning the liquor laws of our province—they were always innocent people—I would object to the alteration of the onus provisions in this Act and some other Acts.

But may I point out that there is not any such injustice involved in this, for the reason that the individual, or indeed, the government, does not have the records available in connection with these matters. That goes with the canners and packers. They have their books and their records.

It is a matter of common sense that both federal and provincial legislation should place the onus upon them of showing that the conditions do not apply to the workings of our particular Act; but let hon. members remember this, if that is implemented by the fact of a federal Act, then I think we have, as I see it, most of the leaks plugged up that came about in our constitution.

I would say that this province, by the hon. Attorney-General's letter of February 26th, meets entirely the requirements of the federation of agriculture on this point. I think that their positions are identical; and that the views of our law-officers are these, that there is no injustice — as a matter of fact, no injustice but there is great justice—to our people and to our primary producers that this onus section should be enacted and that this agreement should be arrived at.

MR. OLIVER: I do not intend to elaborate at length to the hon. Prime Minister who has wandered all over the face of the globe in discussing the merits of provincial marketing legislation.

I want to say, first of all, however, that when he says I was in error in respect to the date of the letter, that is

hardly accurate, as the hon. Prime Minister knows.

There were, of course, two letters; one went out on February 26th, or was dated February 26th. It had to do with what the hon. Prime Minister has been discussing, the onus question.

Another letter, on an equally important amendment, went out as I say, on March 10th. The hon. Prime Minister was not accurate when he said that I was not clear on the date of the letter. The letter went out on March 10th, dealing with the equalization of grants and all that sort of thing.

HON. MR. FROST: The hon. Leader of the Opposition wondered why we had this delay until March 10th. As a matter of fact, the letter of March 10th arose by reason of a letter that had been submitted by one of the western authorities to us. It arose out of that. The legislation that we had asked for was in the letter of February 26th.

MR. OLIVER: The hon. Prime Minister is splitting hairs on this. The subject discussed in the letter of March 10th did not need to originate in some western province. The problem was quite apparent in this province, and anyone connected with our farm organizations was quite aware of this situation. So it is a fact that the last letter, one containing an equally, if not more, important matter, was not dispatched until March 10th.

I suggest that it does not really give the federal government the ample time that they should have, to go into this matter as fully, as thoroughly, as they should.

I concede to the hon. Prime Minister that I am just as anxious as he is to have good marketing legislation in this province. It was not his government, but ours, that laid the basis for farm marketing legislation in Ontario, and ever since that day, and even before, I have been right out in front so far as getting the farmers what they wanted in respect to farm legislation.

I may say, further, that so far as the proposed amendments to the federal legislation are concerned, I am just as anxious as he is to have the federal government make those particular amendments, and make their good felt among the farm organizations in this province. What contact I have with the federal government will be used in an effort to speed up the matter, if that is possible, and to have it resolved as soon as possible in order that the farmers will get the full benefit of the legislation.

I want to refer to only one other thing at this time, and that is that the hon. Prime Minister talked, as he has been doing this last few weeks, about federal matters and federal payments into the province of Ontario and other provinces for the industry of agriculture.

I would just say to the hon. Prime Minister that, in my judgment, he argues from a pretty flimsy premise, as the head of a government in this province that spends less than two per cent. of its budget for The Department of Agriculture. It is not even two per cent.; it is 1.8 per cent. There was a time not very long ago when agriculture had a place of its own in this expenditure. This is set out in the budget summary—

MR. NIXON: The budget diagram.

MR. OLIVER: Budget diagram. But this government's contribution to agriculture has grown so small now that it cannot afford a place of its own in that pie, and so last year it was amalgamated with The Department of Education so that its mere insignificance would not be as readily discernible.

The hon. Prime Minister who did this rises in this House and blames another jurisdiction for its lack of sympathy with agriculture in this province, and he is the hon. Prime Minister of a government which spends less than 2 per cent. of its budget—

HON. MR. FROST: I would point out to the hon. Leader of the Opposition that when he takes this 2 per cent., or 1.8 per cent., I suggest that he collaborate

with the hon. member for Brant (Mr. Nixon), who has an encyclopedic knowledge of public accounts of this province.

When the hon. Leader of the Opposition talks about a pie, then he should be aware that agriculture has a finger in the pie of nearly all the estimates of this province. It is impossible to segregate them. We cannot segregate what we contribute for agriculture, and some things like that, and there is no time to segregate the great assistance to hydro for rural power and rural telephones, and for a host of other matters such as health and education.

In many of the rural parts of this province, we are paying 92 per cent. of the cost of education. When we talk about those matters in view of the demands of metropolitan Toronto and other municipalities, I would be afraid to put all these together; they are so large.

MR. D. C. MacDONALD (York South): In speaking briefly to the principle of this bill, I would like to make 3 points.

First, hon. members in the CCF group will support this bill and support it whole-heartedly. One of the long-term objectives of the farmers has been to get orderly marketing, and this is one of the procedures through which they can be given the machinery to obtain orderly marketing and to be able to do it on a self-help basis.

Having said that, however, I think we should recognize this—as a contribution to meeting the basic needs of agriculture at the present time, this legislation has severe limitations.

There is another major objective that the farmer has pursued, and it has eluded him and faded like the horizon, and that is the problem of stable prices at a level which would give him some measure of parity within the rest of the economy.

In following all the wanderings of the hon. Prime Minister this afternoon, on this entire question, it is rather interest-

ing and significant that there is no indication at all, regarding this other basic objective of agriculture, that the Conservative party is willing to do any more than the Liberal party has done at Ottawa; not a shred of indication.

Two or three weeks ago, there was a vote in the House of Commons on an issue in which agriculture is interested; parity within the economy, and the Liberals and Conservatives lined up on the same side to vote it down.

It is also interesting to note that two or three Conservative hon. members for rural Ontario ridings, where they know it is a very hot issue at the moment, intentionally absented themselves when the vote was taken, because 5 minutes later they were present in the House for another vote. All this implication in the browbeating of Ottawa, that the Conservatives would do more on this basic issue of income—the real issue of establishing for farmers an income which would have some measure of parity within the economy—has no basis in fact. It is obvious the Conservative party would do no more.

AN HON. MEMBER: What has hon. Tom Douglas done in Saskatchewan?

MR. MacDONALD: He has done a good deal.

AN HON. MEMBER: Why are they all leaving the province?

HON. MR. PORTER: They do not have to pay any corporation taxes.

MR. MacDONALD: Hon. Mr. Douglas has raised the money at the resources tax level, so they receive the whole dollar and can look after their own needs.

Mr. Chairman, the 3 points I want to raise are these: in committee there was a good deal of discussion on a point which is very real and very important in this Legislature. That is the question of how far one should go in giving any group, in this instance the farmers, what

has been described as excessive control, beyond the needs of protecting their own interests. I think there was general agreement in giving them control over prices of the product of the farm—I note we are going to get rid of that horrible word “fixed” and call it “determinate”; I do not know what the difference is. Our objective is to give farmers control which will not go beyond the original product. For instance, hogs, when they become processed, are the property of somebody else.

I was very interested, once again, in the discussions in the committee, to hear one of the spokesmen for the Liberal party make the comment that we must do nothing that would conflict with the normal pattern of business. I just want to dwell on this for a minute. I think what hon. members are doing, and what we have to do, in this legislation is to conflict with the normal pattern of business. The normal pattern of business has been for the packers to dominate the picture so that the farmer has no control of his product, and producer control of marketing just did not exist. As a result, the farmer was the victim of ruthless exploitation.

What we have to do is to give the farmers a measure of control, and in so doing I, for one, am willing to lean over and give them a little too much rather than too little, because in the economic battle they are fighting with giants, they are fighting from a position of growing weakness rather than growing strength, because of the smaller number of farmers and the smaller farm income in the overall picture.

I think we should recognize that we have to alter the normal pattern of business. I hope this marketing legislation can be effectively administered in order to give agriculture a greater strength in its competitive position in the economy.

MR. R. WHICHER (Bruce): Mr. Chairman, I rise to make two or three remarks about this bill and would like to say that, rather than browbeating

each other or the federal government as we have been doing this afternoon, I think the time has come, in the agricultural picture of this province and right across this Dominion, that we stop kicking and criticizing each other and get together and settle this problem, because I do not suppose there is a rural hon. member in this House who is not greatly concerned about the agricultural plight of the farmers in this province.

If the hon. Prime Minister is correct in some of the figures he quoted this afternoon, whereby the government at Ottawa is assisting other provincial farmers more than it does our own, he should have made a strenuous representation in the past, not just this afternoon, to try to get some parity for the farmers in this province.

I sincerely suggest to the hon. Minister of Agriculture: “Let us stop throwing the ball back and forth between here and Ottawa, as far as the farmers of this province are concerned, and let us gather around a conference table and get things settled once and for all.”

As far as this particular bill is concerned, there is no doubt in my mind that it will, in some measure, assist our agriculture over the entire province. But I do not think it goes nearly far enough. More legislation is required so that the people who live on the farms of this province will be able to go out and buy the things that the labouring force and the business men take as an everyday right.

The agricultural industry is in bad shape. I say to the hon. Minister of Agriculture: Let us get together with Ottawa, and try to settle the matter the way this government has done with such things as health schemes. Surely when an industry is in the terrible plight that this industry is, we should forget the bickering that goes on back and forth, and get some action instead of many letters and a lot of words.

HON. MR. FROST: That is the trouble; I would be glad to get action.

MR. WHICHER: Action does not spring from one source; there must be two people to sit down and talk across the table.

HON. MR. GOODFELLOW: I might say, Mr. Chairman, at the Dominion-Provincial Conference last December, behind closed doors, with the hon. Ministers of the various provinces, we had a meeting with the hon. Mr. Gardiner, and we did make representation on the part of the province of Ontario, expressing the view we felt the assistance which had been extended to the prairie farmers and the farmers of the Maritimes should be extended to the farmers of Ontario and Quebec.

MR. F. S. THOMAS (Elgin): Mr. Chairman, if I might be permitted to do so, I would like to say a word or two on two accounts.

First, I do have some slight knowledge of the subject matter involved, because, firstly, I am a practical farmer and, like any other farmer in Ontario, I am fully aware of the problems we face today. Secondly, I have had some little experience in dealing with the matter which the hon. member for Bruce has just mentioned.

I would like to point out to the House that for over 3 years, I happened to be chairman of two committees of the Provincial Ministers' and Deputy Ministers' conference, one being on marketing and the other being on conservation.

Following what the hon. Prime Minister said about The Prairie Farm Rehabilitation Act and The Marshland Act, I might say that the hon. Minister, at each and every session, every year, appointed a committee which waited on the federal hon. Minister of Agriculture and other hon. Ministers in the federal cabinet, so that this discussion suggested by the hon. member for Bruce has already taken place over the years.

It took place long before I was Minister of Agriculture, when the hon. member for Peel was Minister of Agriculture, and has taken place since with the present hon. Minister of Agriculture.

To the hon. member for York South, I would say this: if I heard him correctly, he rather left the impression with me that this bill was going a little too far for the farmers.

MR. MacDONALD: I did not say that; I do not think so.

MR. F. S. THOMAS: The hon. member said he would rather lean over a little too far than be too short. I know he is a little too short politically, but that has been the case for a long time.

MR. MacDONALD: Just to keep it straight, I do not think it is too short.

MR. F. S. THOMAS: The hon. member for York South also left the impression with me and, I am sure, to other hon. members, that we who follow the occupation of farming are just not quite bright enough to take care of ourselves, and other people have taken advantage of us.

Other people have not taken advantage of us, on the whole, and we are quite as capable, if given some type of legislation, as members of any other profession or business, of looking after ourselves. That is what we want, and that is what we are going to have, and we are going to have it through this bill in the first instance.

On many occasions, a supplementary legislation or complementary legislation has been asked officially of Ottawa, just as it is being asked for now, in view of the judgment of the Supreme Court of Canada. These things have been asked before by Ontario Ministers of Agriculture ever since Bill No. 98, or whatever its number is in Ottawa, came into existence.

We also asked for our share of conservation similar to The Prairie Farm Rehabilitation Act, and only in this session did the hon. Mr. Gardiner say in the House of Commons, the substance was: "If I can convince my cabinet, I hope to bring in universal conservation legislation for the Dominion of Canada."

It has taken us years and years, as the hon. Prime Minister and the hon. Minister of Planning and Development said, and we can only have assistance in relation to \$5 million. The important matters in Ontario are the ones they are all interested in, the numerous little matters that are put together to make a sound economy as a whole. The thinking and the efforts of a number of small individuals, like myself and others scattered throughout the province, is to co-ordinate their efforts not only for the good of the work they are doing or the business they are in, but to have an integral part in the work of the province.

I just want to conclude by saying that the facts given here today by the hon. Prime Minister, and the figures, are true. We have had access to them for years, and so has any hon. member of the House who wants to dig them up, and they can be found in Ottawa.

Regardless of what party is in power, I do not think it is a fair deal for Ontario agriculture conservation-wise, or in this particular case market-wise, until Ottawa faces a realistic issue in the province of Ontario and gives us the same treatment as they give to farmers in the western provinces and in the Maritimes.

I am not speaking about general economics, as the hon. Prime Minister has, regarding the Maritimes getting proper economic assistance. I believe the prairie farmers should have assistance too, under certain conditions, but I would remind the hon. member for York South that if he will take the trouble to talk to Mr. Noden, the hon. Minister of Agriculture in Saskatchewan, with whom I have had the pleasure of talking for many, many hours over many years, he will learn something about the real problems of agriculture in Saskatchewan. The government there has done nothing to help it and never will.

MR. WHICHER: Mr. Chairman, I have just one remark to make. I do not suppose there is anyone who knows any more about agriculture than the hon. member for Elgin who has just spoken. I fully recognize that down through the

years there have been many developments to try to settle these problems, and that some action has been taken, but more action is needed right now.

I was particularly struck by this fact when the hon. Prime Minister spoke about the conference with Deputy Ministers and Ministers and so forth.

The point is that we on this side of the House do not know anything about that.

However, and I strongly emphasize this quite sincerely, the hon. Prime Minister should give some thought to forming a select committee from this House with all parties involved. Let us get in the picture with the other provinces and the federal government, and try to get something done for these agricultural people.

I am not saying that the government has not done its best in the past, but I am saying that we in the opposition do not know anything about such moves, and we would like the opportunity to sit down with the other governments who are interested in this matter and try to get a little action right now.

HON. MR. FROST: Mr. Chairman, I am all for action right now, and I point out that if there is such an arrangement as has been suggested, a select committee, that would postpone action for another year.

I might suggest — and this might produce action — I have been receiving a great number of telegrams in the last few days from garage operators, and now I am receiving some about pipe lines, oil pipe lines in the province, the assessment of them and so on.

I think if the hon. member would sit down with hon. members of his party and each one of them would send a telegram to the Rt. hon. Louis St. Laurent, and ask for action on this problem before the federal House rises or dissolves, that there would be some action, and that would be far more effective than anything that has been suggested.

MR. WHICHER: I might say to the hon. Prime Minister that if I thought that would get action it certainly would be done.

MR. MacDONALD: It would be as useless as sending a telegram to this government.

MR. WHICHER: I respectfully point out once more this bill is only one of the problems in the province. There are many more which will take a year or a couple of years to solve. There are many things that can be investigated by a select committee.

As far as this bill is concerned, it is going to assist the agricultural industry, but there are a great many things to be investigated. The brutal truth is this: the general economy of this province is on a firm basis except with relation to the farmers. Let hon. members get together and all of us have a chance to sit down in a select committee.

There are select committees on toll roads and on air pollution — and with all due respect to air pollution, I am very interested in it and think that the report of the committee was admirable — I do not think these things are as important as the plight of agriculture in this province today. If the government appointed a committee on air pollution, then why not do it on agriculture, and give us all a chance to really do something?

HON. MR. FROST: I am all for action, and I point out that the method I have spoken of, as to hon. members of the opposition sending these telegrams, might have some effect for this reason.

These are little gasoline operators that send those petitions in by way of telegrams. They did not fall on deaf ears at all.

MR. MacDONALD: They did not change the hon. Prime Minister's mind.

HON. MR. FROST: We acquiesced. I would point out that it might be of value, I think, if the hon. member for

Bruce would get into a caucus with his friends right there and be prepared to do that, that it really might do a job. It might have an effect. It would be a nice thing up in Bruce county if the farmers there excavating these farm ponds were able to get \$125 the way they do up in hon. Mr. Gardiner's area.

It may be that hon. Mr. Gardiner is a better advocate for his area of Canada than some of the Ontario hon. Ministers in Ottawa are for the rights of the people of this province.

I say to the hon. member who lives close to a federal hon. Minister's riding that he might persuade them that there are some few people in our 5.5 million population who need some help and assistance, and if he did we would really be making progress.

That is the point the hon. member should have put his finger on, and that is where he should have applied the pressure. If he would give this consideration over the week end, and return on Monday, he might be able to report progress.

Now is the time the federal government should do these things, before the House is dissolved in Ottawa. They should meet some of these great pressing requirements of the people of our province.

MR. OLIVER: The hon. Prime Minister, of course, as he quite often does, is talking out of both sides of his mouth almost at the one time. Just the other day he informed us he received a number of telegrams and told us: "I am not influenced by these things at all; they just amount to nothing." Now, he is suggesting we send telegrams to Ottawa.

Does he not think that perhaps those in high places take a similar view of telegrams? If the hon. Prime Minister will do his part at getting the legislation passed at Ottawa as assiduously as we will do ours, then there will be no complaint. We are not entitled to any lectures from the hon. Prime Minister on

this matter, and we do not receive them very well.

HON. MR. NICKLE: Mr. Chairman, I would just like to say a word to the hon. member for Bruce, and indicate to him as best I can how very difficult it is to make a bargain as far as conservation is concerned with the federal hon. Minister of Northern Affairs and National Resources (Mr. LeSage).

For years before I became the Minister of Planning and Development, the federal-provincial policy in connection with conservation undertakings was as follows:

The federal government paid 37.5 per cent., the province paid 37.5 per cent., and the municipality paid the other 25 per cent.

However, without any warning whatsoever, we were informed that from the date of the letter, which I can give the hon. member for Bruce if he wishes, the federal government would make no contribution whatsoever in relation to any conservation programme unless the total cost exceeded \$5 million.

Subsequently I was in Ottawa and talked to my counterpart, Mr. LeSage, and I said: "You say you are in conservation, and that you are in favour of a conservation programme, but you have made the terms, conditions and the stakes so high that you have excluded yourself from in any way helping on the provincial level."

I mentioned two places that just come to my mind now, one is Napanee and the other Belleville. We had two or three projects there, and I indicated if they were all put together they might total more than \$5 million.

Mr. LeSage said: "You cannot pyramid them, and you cannot consolidate a number of projects. Each project must be determined on its own 4 corners and nothing more."

When the hon. member for Bruce says for us to go down and deal, I tell

him we cannot deal because we are told that "that is it." It is very difficult when we are told on the federal level that a project must cost \$5 million or more, or we are just wasting our time going down there. We have pleaded for many months, requesting the federal government to change that thinking, and we are no further ahead now than when we tried to change it.

When the situation was created, the chairman of this committee had a problem up in his riding. He will recall it. The best we could do was to approach the government, that is my department, and present to the hon. Prime Minister and the hon. members in Ministry that, having regard to the attitude of Ottawa, we should from now on go into every project on a 50-50 basis. That is the way it stands now.

I want to make it clear to the hon. member for Bruce that when one is told, "that is it", then I ask him what more can be done? We have tried many times, but we have never succeeded because they will not give an inch.

If the hon. member can get the federal grant to go back to the old basis of 37.5, 37.5 from the province and 25 from the municipality, he would be doing some good. The only good that has been done in the last 12 or 15 months, by any government in connection with this programme, is the government of the province of Ontario in raising the percentage ante.

Section 3 agreed to.

HON. MR. GOODFELLOW: Mr. Chairman, I move that subclause (4) of clause (a) of section 7, as re-enacted by section 4 of this bill, be amended by striking out "fix" where it occurs in the first and fifth lines respectively, and insert in lieu thereof, "determine", in which case the subclause shall read as follows:

To determine from time to time the price or prices that shall be paid to producers for the regulated product or class, variety, grade, or size

of regulated product, and to determine different prices for different parts of Ontario.

MR. MacDONALD: Mr. Chairman, what is the difference?

HON. MR. GOODFELLOW: I would say, Mr. Chairman, there is really no difference, but several hon. members object to that word "fix", so we went to the dictionary and got a much softer word—"determine"—to use.

MR. NIXON: Does the same argument apply to "scheme" and "plan" which is in the first section of this important bill?

HON. MR. FROST: Well, the hon. member for York South is always using expressions like "fix" and "scheming" and so on. We thought we might get away from using language that might not be subject to all interpretations.

MR. MacDONALD: I trust it is a verbal change, and not any evidence of weakening in terms of giving some real teeth to the legislation.

HON. MR. GOODFELLOW: I assure hon. members of the House there is no intent in this to weaken the Act in any way.

Section 4 agreed to.

Sections 5 to 8, inclusive, agreed to.

Bill No. 130 reported.

Hon. Mr. Frost moves the committee rise and report one bill with amendments.

Motion agreed to.

The House resumed: Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole House begs to report one bill with amendments and begs leave to sit again.

Report agreed to.

The House, on order, resolved itself into committee of supply.

ESTIMATES, DEPARTMENT OF PUBLIC WORKS

HON. W. GRIESINGER (Minister of Public Works): Mr. Chairman, may I say at the start that I am going to be fair and co-operate with everybody.

To assist the hon. members of this House in becoming acquainted with the department's programme of capital works, we have prepared for this assembly a blue book which hon. members will find on their desks at the present time.

This book gives, in detail, the major work items which have been brought to completion this fiscal year, work that is under way and will be carried forward into the next fiscal year, and the new work items on which we plan to make a start.

These work items are so numerous that it would be impossible for me to acquaint hon. members with the many undertakings which are being carried forward. But I would like to take just a few moments to touch on a few of the items to illustrate the programme on which we are engaged.

We are trying to provide the best facilities to assist the various departments to carry out their responsibilities, with which they are entrusted by this House under various legislative enactments, with the best accommodation and equipment which we can obtain.

With this purpose in mind, we are carrying out large additions at the Ontario Agricultural College at Guelph; and I draw attention that we are undertaking a new science group of buildings which consists of, first, a new soils building; second, a new biological building; and, third, a new chemistry building.

The soils building is under way, and plans are well advanced on the remaining two units.

At the Veterinary College also we are adding a new medical-surgical building

which will mean a large addition to that college.

These additions, as well as many others, will enable these institutions to serve more adequately the training of students for agriculture and kindred industries.

For the department of the hon. Attorney-General (Mr. Roberts), we are planning to add a considerable number of buildings of an administrative nature for the Ontario provincial police. These include district headquarters buildings and detachment buildings suitably located across the province, including many housing units.

We have found it necessary, because of general business activities and an increase in population, to add to our court houses and registry offices in the northern areas of the province, and work in this connection will be proceeded with at Sudbury, Sault Ste. Marie, Fort William and North Bay.

In the field of education, it has been considered necessary to undertake a programme of providing new teachers' colleges. We have recently completed one in the east end of Toronto, and also one at Hamilton. We now have under way a new teachers' college at London adjacent to the University of Western Ontario; and plan to start an additional teachers' college in New Toronto to serve the western section of metropolitan Toronto and adjoining municipalities.

In a like manner, we are providing better and increased facilities for teaching technical subjects, and are proceeding with the new Lakehead technical institute at Port Arthur, and have under construction unit No. 1 of the new building group at Ryerson Institute, Toronto. No. 2 is in the planning stage.

The addition of these new colleges and technical institutes will provide better accommodation for preparing students for the teaching profession, and also provide our young people with modern technical instruction.

Not too many years ago, our Ontario hospitals were looked upon more or less

as institutions for people who were unable to take care of themselves, and were generally referred to as asylums. For some years, the medical profession has been endeavouring to treat mental illness in a scientific way, and this government is undertaking a very large programme of new additions and renovations of those existing buildings, to provide our Ontario hospitals with increased bed accommodation and modern training centres.

Time will not permit me to dwell on the many projects which we have under way for that purpose, but if hon. members in the east end of the province have the opportunity to visit the hospitals at Kingston and Brockville, it will illustrate what this department is carrying out in this respect.

The same thing is true in the western section of the province, with a large self-contained unit at Woodstock which will accommodate approximately 500 patients.

Most of our members in the north, I believe, are acquainted with the large project under way in Port Arthur, which is partly completed and occupied; and also with the new hospital under way at North Bay, which will ultimately provide 1,200 beds. The first unit of this, consisting of approximately 750 beds, is nearing completion.

I think I can say that everything is being done by this government to provide our people with the best and most modern facilities for those who may be taken mentally ill.

In keeping with the large programme of highway construction it is necessary to provide many administrative units across the province. These consist of office buildings, divisional garages, store buildings and maintenance shops in many locations, as listed in our work programme.

For The Department of Lands and Forests, we are continuing to provide additional administrative and other types of buildings, and works in the north country to increase facilities for the protection of our forest and wildlife, in-

cluding the remodelling of fish hatcheries for the replenishing of our lakes and streams with fish, which aids the tourist industry.

In my own department, we are continuing to undertake additional accommodation for the many departments in Queen's Park, and this work will be further developed, and we expect to make a start on an addition to the treasury building, and are preparing to clear the site to the south of the existing east block so that we can then add two additional units to that building.

New custodial buildings are at various stages of construction. The new reformatory building at Millbrook is nearing completion, and we are undertaking a new self-contained unit at Burwash, known as camp No. 5; additions to the reformatory at Mimico, as well as additions to the training school for girls at Galt and for the boys at Guelph.

We are providing in the estimates, for the construction of new buildings and works, the sum of \$45 million, and in addition we are continuing our work of constructing storage dams, docks and drainage works totalling \$670,000.

We are also providing \$15 million to start some of the projects which are being worked out by the Ontario water resources commission. In our ordinary account, we have included grants for aid to drainage, and have also provided for the ordinary operations of the Ontario water resources commission.

This item, together with the maintenance expenses for new office units completed last year, accounts for the increase in our ordinary account.

I trust that this brief résumé of our department's operations will give hon. members a brief outline of the activities of my department and the need for the funds to meet these many projects.

Mr. Chairman, in conclusion, may I again take this opportunity of expressing my personal thanks to my Deputy Minister, my senior officers, and all of the members of the staff of The Department of Public Works, for the continued

loyalty and the splendid job they are doing for the taxpayers of this great province.

THE CHAIRMAN: Vote 1,801.

MR. D. C. MacDONALD (York South): Mr. Chairman, I assume that the alterations that were made in that building over on Jarvis Street, which was used as a refugee centre, were made by The Department of Public Works. How much money was spent on that?

HON. MR. GRIESINGER: The money was spent by the The Department of Planning and Development.

MR. MacDONALD: It was the hon. Minister's department that did the work, though?

HON. MR. GRIESINGER: We did the work.

MR. MacDONALD: Does the hon. Minister know how much it involves?

HON. MR. GRIESINGER: A grant was given to The Department of Planning and Development.

MR. MacDONALD: Does the hon. Minister know how much it involves?

HON. MR. GRIESINGER: No; we have not those figures. I will try to get them for the hon. member.

MR. MacDONALD: The only reason I raise this is that I was very interested in this great broadside that was delivered at the federal government by the hon. member for Port Arthur, in which he described such things as alterations in the "Maggie" to meet the emergency. He described it as being "squandermania."

By a strange coincidence, just about two hours before that, I had driven past this building and I found it in a state of demolition. I realize we had an emergency situation, but it did strike

me as strange to spend a few hundreds of thousands of dollars and then have it demolished 3 months afterwards.

If that is not in the category of "squandermania" I do not know how one could describe that sort of thing.

HON. MR. FROST: A lot of that stuff is salvaged.

MR. R. WHICHER (Bruce): On vote 1,801 I notice "insurance, \$10,000." In the last public account it was \$33,618. Generally these things increase.

HON. MR. GRIESINGER: It is a 3-year policy, and we put in only sufficient to take care of each year.

MR. WHICHER: How is the insurance on the buildings in the province handled? Are the policies given by tender?

HON. MR. GRIESINGER: Presently there are only a few buildings actually covered by fire insurance. I can say that presently there is a cabinet committee on insurance studying the entire question throughout the province.

MR. WHICHER: Is this building covered by insurance?

HON. MR. GRIESINGER: It is covered with an \$8 million policy.

Votes 1,802 and 1,803 agreed to.

On vote 1,804:

MR. R. BOYER (Muskoka): Mr. chairman, on vote 1,804, I wish to state that the hon. Minister of Public Works deserves praise for the attention which has been given to this handsome chamber in the last two years. When hon. members came to this House last year, they found it had been re-decorated, the drapes had been cleaned and the floor recarpeted. This year we find the installation of a public address system; it has been referred to by sev-

eral hon. members who have praised its efficiency, as I do.

May I ask the hon. Minister if, for the coming year, he would give consideration to a possible further improvement in this chamber, and that is with respect to lighting? There is a very considerable glare from the lights in this House. I know that the chandeliers are handsome and historic, but there is a glare. In that respect, Mr. Chairman, may I read from today's issue of the *London Free Press* a report of an incident in this House last evening. It says in part:

Speaker hon. A. W. Downer, guardian of the dignity and rights of the Legislature, smiled indulgently when Mr. Scott, Peterborough PC member, sporting a battered old brown chapeau, took his seat.

It explains all about the hon. member for Peterborough's respect for British tradition, and it concludes with these sentences:

A veteran member of the House recalled it was not uncommon for half-a-dozen members of the Ferguson government to wear their hats.

This is the significant sentence:

They always contended the head-gear gave them some relief from the lighting facilities of the chamber.

May I suggest to the hon. Minister that, during the coming year, he secure the services of some lighting experts to see if this disadvantage might not be overcome.

MR. WHICHER: Mr. Chairman, for information may I ask how much this new sound system cost in this building?

HON. MR. GRIESINGER: The equipment cost approximately between \$19,000 and \$20,000.

MR. MacDONALD: Mr. Chairman, since this item deals with the Parlia-

ment Buildings, may I ask if the hon. Minister has given any consideration to some altered circumstances, or some altered arrangements, regarding the cafeteria in this building?

I have not discussed this in detail with any of the civil service association people who are responsible for the administration of it, but I understand it is a very grave inconvenience, and it obviously is, when we, in effect, take over during the period that the Legislature is sitting.

I understand it also entails a financial loss, because the trade falls off then and takes time to pick up after the Legislature rises, because civil servants get into the habit of going elsewhere.

Has the hon. Minister given any consideration to some other arrangement?

HON. MR. GRIESINGER: Yes, I have had several meetings with Mr. Jackson, president of the civil service association, and we have been going into the restaurant situation quite a lot in the past several months.

They have, unfortunately, been losing money; it has not been lucrative to them, and we are having a full investigation made. I believe some experts are being brought in to make a complete report on the whole set-up.

In some of the other buildings, such as the labour building and also on Keele Street in the highway building, those restaurants are operated by outside sources; tenders are called for, and whoever has the lowest tender gets the business.

I hope it will not come to that in this building, because I prefer to see the civil service association group retain it.

MR. A. COWLING (High Park): Mr. Chairman, while we are on the subject of government buildings, I know several of the hon. members and also members of the public have complained to me about smoke coming out of our own buildings, with particular reference to the one across the street. I think

many of us saw that fine photograph in one of our big daily newspapers, during the inspection of the honourable the Lieutenant-Governor, when great gobs of black smoke and soot came out of our building.

For the information of hon. members, I would like them to know that the committee on air pollution and smoke control inspected the heating facilities of the Parliament Buildings; that was one of the top priority objects on our inspection tours. At the time we were there, which was towards the end of the year, we were shown some new equipment which was to go a long way in controlling the smoke, particularly from that building.

I wonder if the hon. Minister could perhaps enlarge on that, and make some comments, and generally inform us, now that we are launching a programme at the provincial level to deal with this problem of air pollution, just what the programme might be in The Department of Public Works to take some leadership in this programme, and to indicate to the public and industry generally that we are out to do something about the problem, and to show them the way?

HON. MR. GRIESINGER: Mr. Chairman, for the information of the hon. member for High Park, I may say that when the smoke committee got under way we decided to try and beat them to the punch; we were doing some new work with the boilers in the east block, and at that time we decided to put in what I believe was called an electronic smoke eliminator. The approximate cost of that was \$9,000.

Not very long ago, unfortunately, the equipment which had just been put in failed for a few days, and that picture was taken on one of the days when the new equipment was not working.

However, we are quite sure that with this new equipment we have the smoke question eliminated, as far as the Parliament Buildings are concerned.

Vote 1,804 agreed to.

On vote 1,805:

MR. WHICHER: Mr. Chairman, I am not sure whether or not this question would come under this section, but in the last public accounts we have, which is 1955-1956 —

HON. MR. GRIESINGER: Which vote is that?

MR. WHICHER: I am not sure whether it comes under this or not, but under, "material, supplies and wages." there is an item for Beattie Cadillac Chevrolet Oldsmobile Limited for \$299,570.65. I would like an explanation on that.

HON. MR. GRIESINGER: Yes, that was a purchase by The Department of Public Works — that building in particular — because there is a plan, looking ahead for the next 25 or 30 years, for purchasing additional properties within the Queen's Park area for future development, and that was part of the purchase that we have made.

MR. WHICHER: I have one other question on public accounts. Under "rental and caretaking of leased premises", there is an item "Berkdale Investments Limited" of some \$78,000. It is under the heading, "general: rental and caretaking of leased premises and expenses in connection therewith."

HON. MR. GRIESINGER: It is probably rental on a building.

HON. MR. FROST: What year was that?

MR. WHICHER: In 1955-1956; it is in the last public accounts.

HON. MR. GRIESINGER: I think it is 559 Jarvis Street, which is occupied by The Department of Highways. We have the entire building there, and the total rental is \$81,000. I think that is probably it, but I will look it up.

MR. MacDONALD: Is that rented or owned?

HON. MR. GRIESINGER: Rented.

MR. T. D. THOMAS (Oshawa): Mr. Chairman, before we leave vote 1,805, the estimate for that is up \$90,000; I wonder if the hon. Minister would explain why there is an increase of \$90,000?

HON. MR. GRIESINGER: There has been a new building vote there. There is the old Osgoode Hall building, and this year the new building on the corner of Queen and York Streets came into being, and that takes care of the lighting, heating and maintenance of that building.

Vote 1,805 agreed to.

On vote 1,806:

MR. WHICHER: On vote 1,806, Mr. Chairman, I have this question which I think would be in order:

I understand the liquor control board is now giving consideration to building some of their own buildings. I know in my riding one is being built. Does that come under the hon. Minister's department?

HON. MR. GRIESINGER: No, we have no connection with the liquor control board.

Vote 1,806 agreed to.

On vote 1,807:

MR. J. SPENCE (Kent East): Mr. Chairman, under "rental and caretaking of leased premises and expenses in connection therewith", \$550,000, I wonder if the hon. Minister could outline what those premises are? Are they liquor stores, or what?

HON. MR. GRIESINGER: I could give the hon. member a list of those. It is quite a lengthy list, and I will

say, quite frankly, that is one of the reasons we are trying to complete the east block as soon as possible so as to get out of rented premises.

Rents in the city of Toronto alone are \$389,000 a year, and we are trying to get into our own buildings as fast as we can do so.

Votes 1,807 and 1,809 agreed to.

On vote 1,810:

MR. A. CHILD (Wentworth): Mr. Chairman, if I may ask the hon. Minister at this time, because I do not see another item under which I may ask this question, how we stand as far as the 600-bed extension for Hamilton is concerned?

HON. MR. GRIESINGER: I can say this, that it is going to be built, but we have to be guided by The Department of Health. They give us a priority list, and although the 600-bed addition is to be built, it is not at the present time given priority until others are completed. However, it is in the list of works and will be done.

MR. CHILD: Will it be, perhaps next year? Are we talking about the far distant future, or relatively close?

HON. MR. GRIESINGER: That is rather difficult to answer, as The Department of Health may come up with something that has to be done immediately. We are only the building agent for that department. My Deputy Minister tells me that plans are practically completed for it. However, it will be built.

MR. P. MANLEY (Stormont): Mr. Chairman, on vote 1,810, "Ontario water resources commission", I notice that last year the appropriation was \$150,000, and this year it is \$840,000. Could the hon. Minister explain to us why there is such a huge difference in the appropriation this year as against last year?

HON. MR. GRIESINGER: Mr. Chairman, last year the \$150,000 was in there merely to take care of the expenses of the commission itself. This year, the commission has its own organization and has taken over, from The Department of Health, a certain group of employees who have been transferred from that department to the water resources commission, together with a group from The Department of Mines.

The commission will now be responsible for its own salaries and things of that kind.

It therefore comes into our department as being responsible for the water resources commission at the present time, but there should be a credit of a like amount in the other department from which these people have been transferred. I can give the hon. member the figures:

Staff salaries, this year, approximately \$550,000. Commissioners, allowance for travel (estimated) \$35,000. Travelling expenses and supplies \$105,000. Project expenses \$50,000. Ground water activities \$50,000. Research and development \$50,000. Total \$840,000.

The present staff is made up of 35, who have been transferred from other departments. Then they expect to take on additional staff, from 55 to 60, giving them a total staff of approximately 90. The \$840,000 has been set up for these purposes.

MR. MANLEY: This is mainly for operational costs of the department itself?

HON. MR. GRIESINGER: That is right—of the commission, that is.

MR. MANLEY: I notice there is another item on the next page for capital, where it is \$15 million.

HON. MR. GRIESINGER: Yes, I will try to explain that when we reach it.

MR. WHICHER: Mr. Chairman, under vote 1,810, item No. 3, \$100,000. May I say that, after examining these estimates, it seems to me that the hon. Minister has looked after all unforeseen circumstances that one could possibly imagine, but here we have \$100,000 of expenses arising from unforeseen circumstances. What could come under that?

HON. MR. GRIESINGER: Sometimes that fund does not cover some of the unforeseen things that do happen, Mr. Chairman.

Take for instance, Hurricane Hazel, the \$100,000 that we had in the fund at that time certainly did not cover the damage done in that case by any means. The expenses in connection with Hurricane Hazel for 1954-1955 were \$1,778,000; for 1955-1956, \$46,706; and for 1956-57—that is up until February 28, 1957—\$157,000, for a total amount of almost \$2 million.

That \$100,000 is there for things of that kind; if we are unfortunate in something like that happening again, then we have to ask for special warrants.

MR. MacDONALD: Mr. Chairman, what is the explanation for the continuing expenditure? It extends for two or three years after the hurricane actually took place.

HON. MR. GRIESINGER: There may be certain items still to clean up in connection with Hurricane Hazel which we do not know about. Perhaps all the accounts have not yet come in.

HON. MR. PORTER: There are still some land appropriations.

HON. MR. GRIESINGER: Yes, there are still land appropriations which have to be taken care of.

MR. H. NIXON (Brant): Mr. Chairman, on item No. 4, \$1.5 million for jail construction, what has the hon. Minister in mind for construction this year in that field?

HON. MR. GRIESINGER: These are grants toward new jails. Of that, \$1 million is a grant to metropolitan Toronto for the new addition being made to the Don jail, the total cost of which is somewhere in the neighbourhood of \$2 million. This government is giving a 50 per cent. grant, amounting to \$1 million.

There is also a grant applicable to the new jail in Whitby, and those two grants, plus one made to go toward certain repairs or additions to the jail in Hamilton, makes the \$1.5 million which is set up.

MR. T. D. THOMAS: Mr. Chairman, I was interested in that particular item, because the county of Ontario intends to build a new jail in the town of Whitby, and we would like to find out how the hon. Minister apportions the grant.

He stated a moment ago that the metropolitan area is building a new jail which will cost \$2 million, and that the government grant will be 50 per cent.

The question I would like to ask the hon. Minister is this: What percentage grant would the county of Ontario receive, and how is the percentage arrived at?

HON. MR. GRIESINGER: The policy at the present time for new jails is a 50 per cent. grant, with a ceiling to it.

MR. T. D. THOMAS: What is the ceiling?

HON. MR. GRIESINGER: It all depends on what the jail may cost.

MR. WHICHER: The ceiling in Toronto was \$1 million.

HON. MR. GRIESINGER: Of course, it would be based on necessity, how big the jail would be.

HON. MR. FROST: The government would contribute only to a certain extent. This is a new grant altogether.

MR. T. D. THOMAS: The reason I asked the question was that they have invited tenders for the new jail at Whitby, and I believe the lowest tender is somewhere in the region of \$800,000. This is not first-hand information, but according to a report I learned the government is prepared to give \$200,000 towards the \$800,000. If they cannot give any more than that, it becomes too burdensome for the county of Ontario and the city of Oshawa to proceed with the project on that basis, and the whole thing will fall through.

HON. MR. FROST: Mr. Chairman, the whole matter was very carefully considered. We have never contributed to anything of this sort before, but we introduced this system and the outside costs of such projects are carefully controlled, as it may well be imagined that they should be. In the case of the city of Toronto, the \$1 million is a round figure which the hon. Minister mentioned.

MR. T. D. THOMAS: It would be 50 per cent., anyway?

HON. MR. GRIESINGER: It would be 50 per cent. of what we felt was a reasonable addition. If they want to go beyond that, that is their business. I would say that we would extend that policy in the case of Whitby and other places.

The arrangement in Whitby is one of the new arrangements, and my recollection is that we went over their estimates and figures very carefully at the time. If the amount has increased to \$800,000, that would show why a ceiling had to be put on it.

MR. T. D. THOMAS: Mr. Chairman, the building which the committee had agreed on at Whitby would have cost much less than that, I believe, but owing to the regulations and the insistence of the department, they were compelled to add other things to it which increased the price of the building.

HON. MR. FROST: Mr. Chairman, they were not compelled to do anything.

As a matter of fact, I tried to persuade them to keep the old jail and make some additions to it which would have saved a considerable amount of money. I believe the hon. member for Oshawa would concede that point. I was rather critical of their leaving the old site.

I know in these days we get great arguments for improving these places. I get that argument from the hon. member for York South, but I always take the position myself that there is a lot of money to be spent in this province, and hospitals, for instance, are built for people to go there, whereas in the case of jails, we build them to put people in, but we do not want them to go there, we want them to stay out. What they should do is keep out of the "coop" altogether, and not give us the expense of a lot of elaborate jails and prisons.

MR. MacDONALD: Mr. Chairman, just as the hon. Minister of Health is trying to get hon. members to adopt a new approach to mental health, I would like to get the government to adopt a new approach to the treatment of prisoners.

HON. MR. FROST: Mr. Chairman, my approach is pretty practical, too. When I look at the various things which need to be done, I would much rather spend money on a mental hospital or something of that sort than get into spending a lot of money on jails and similar places. My answer is always this: "If you do not like the jail, do not get into it, do not go there."

MR. MacDONALD: That is not an answer.

HON. MR. FROST: I think the people of Whitby will be able to put up a jail within the estimate we provide here, which I think is about \$400,000.

MR. T. D. THOMAS: Mr. Chairman, they are prepared to build a jail there which they think will be ample, and will be capable of taking care of the needs, except for the regulations of the department.

HON. MR. FROST: I do not think that is the case, Mr. Chairman. The hon. member should tell them to come around and see me.

MR. T. D. THOMAS: I will do that.

MR. M. B. DYMOND (Ontario): Mr. Chairman, I am afraid I cannot allow the matter of the Ontario county jail to go by without saying something about it, because it affects my riding very closely. Unfortunately, it serves as an overnight hotel for people who come from outside of my riding, since my people are good, law-abiding citizens.

However, I think the history of county jails will prove that the one in Whitby has been a disgrace for many years. It has been condemned by I do not know how many grand juries. I was in it once, in company with the hon. Attorney-General last summer, and I stayed there just as short a time as I possibly could.

Believe me, the state of the building was such that I was physically sick when I left it. I did not think that we could tolerate such a place of human storage as the Whitby jail.

The reason it was deemed advisable to leave the present site is that they are crowded already for county court room space and other space in the county building, and we would have to add to it shortly in any case.

Because we are living in a great and growing county, the only land suitable for this expansion, without splitting up the county building set-up, is the land on which the old jail stands. Where it is going, I believe, is an excellent site. Fortunately it is going outside of my riding.

However, the cost too is a matter of some concern. The plan originally was based on the belief that it was necessary to build a jail to accommodate 100 people. People coming from outside fill the jail, and it was felt advisable for the present at least to cut the size, but provide necessary services in the new set-up.

When tenders were called, they were away beyond what was anticipated when the first discussions were held. The tenders, when they were received, covered such a narrow range — I think roughly from \$800,000 to \$830,000 — and that is a most unusual thing in structural estimates nowadays. So we felt this indicated that the tenders had been pared to the bone.

I would also like to point out, as did my colleague, the hon. member for Oshawa, that the county would have built a jail within the ceiling as suggested, but modern demands apparently are such that these have boosted the cost to the point where it is now.

May I say in closing, that a new county jail at Whitby is an absolute necessity. The place where we are putting these people now is not fit for anyone, it is not fit for animals, and if we are going to build jails, I think they should be built with a view to providing some degree of reform.

I agree with the hon. Prime Minister that we would like to keep people out of them. It will be a wonderful thing when humanity reaches that stage where we can do without jails altogether. But I do not believe we will see that happen in our lifetime. I think we are still too far away from the straight and narrow path to see that.

However, if we are going to build them, I think we should build them in such a way as to provide something much better than the present place of human storage. It could lead some, who might otherwise be good salvage material, in the wrong direction, if they were kept in a jail such as the present one, too long.

I would certainly urge that very earnest consideration be given to this matter by the hon. Minister when he is apportioning the grant.

MR. T. D. THOMAS: When I was on the Ontario county council, and every year since that time, they have had an annual inspection, and every year there

has been a very critical report condemning the county jail.

HON. MR. FROST: I would say that this government, with its eye to always helping the people, has introduced a new grant system and we are trying to help out in these county jails; which is another burden we took from the municipality.

It being 4.30 and, being under solemn obligation to adjourn this House at that time, with the consent of the hon. members I would ask that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole House begs to report that it has come to certain resolutions, moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, may I say that tomorrow we will proceed with third readings and with budget debate.

Now, I may say that we may be able to proceed with these orders on the order paper—Bills Nos. 71 to 79 inclusive, 91 to 94 inclusive, 131 to 133 inclusive, 142 to 144 inclusive, 82 to 84 inclusive, 89, 90 and 104.

MR. NIXON: Perhaps it would be easier if the hon. Prime Minister would

inform hon. members of the ones he is not going to proceed with.

HON. MR. FROST: I had presumed we would go on with order No. 14, Bill No. 69, The Highway Improvement Act, but I understand there was a strike in the House last night, and I do not know whether or not conciliation proceedings have worked.

MR. OLIVER: That will depend on the hon. Prime Minister.

HON. MR. FROST: I very much doubt that it will be possible to get the orders I have read from the paper. In any event, it will be budget debate and third readings and if we can reach these bills, we will.

On Monday we will proceed with the balance of the estimates of public works and, for the particular interest of the hon. member for York South, we will go on with the estimates of reform institutions. Following that, on Monday, finance bills, budget debate, and I hope to call some of the private members' resolutions, the first one being the resolution of the hon. member for Windsor.

There will be a night session on Monday.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 4.40 of the clock p.m.

ERRATUM

(March 20, 1957)

Page	Column	Line	Correction
1341	2	36	Change to read: "aid of the law society to see that coun—"



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, March 22, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Friday, March 22, 1957

Annual Report Ontario Northland Transportation Commission	1461
The Municipal Act, bill to amend, Mr. Dunbar, first reading	1461
The Municipal Board Act, bill to amend, Mr. Warrender, first reading	1461
On the Budget, Mr. Grossman, Mr. Cowling	1464
Bills Nos. 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 74 and 130, third readings	1482
City of Hamilton, bill respecting	1482
County Courts Act, bill to amend	1482
County Judges Act, bill to amend	1482
Execution Act, bill to amend	1482
Land Titles Act, bill to amend	1482
Magistrates' Act, bill to amend	1482
Mechanics' Lien Act, bill to amend	1482
Parents Maintenance Act, bill to amend	1482
Registry Act, bill to amend	1483
Divisions Courts Act, bill to amend	1483
Interpretations Act, bill to amend	1483
Adjudicature Act, bill to amend	1483
Probation Act, bill to amend	1483
Corporations Information Act, bill to amend	1483
Vital Statistics Act, bill to amend	1483
Corporations Act, bill to amend	1483
Motion to adjourn, Mr. Porter, agreed to	1484

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

FRIDAY, MARCH 22, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

Fifty-Sixth Annual Report of the Ontario Northland Transportation Commission for the year ended December 31, 1956.

MR. SPEAKER: Introduction of bills.

THE MUNICIPAL ACT

Hon. W. K. Warrender moves first reading of bill intituled, "An Act to amend The Municipal Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, these amendments are mainly procedural and for clarification and this bill will be going to the committee on municipal law.

THE MUNICIPAL BOARD ACT

Hon. Mr. Warrender moves first reading of bill intituled, "An Act to amend The Ontario Municipal Board Act."

Motion agreed to; first reading of the bill.

He said: These amendments, Mr. Speaker, are also mainly procedural and this bill is going to the committee on municipal law also.

HON. DANA PORTER (Provincial Treasurer): Mr. Speaker, before the orders of the day, I wish to table copies of certain correspondence between the Rt. hon. Mr. St. Laurent and the hon. Mr. Martin and our own hon. Prime Minister dealing with hospital insurance. This is correspondence running from February 4th to March 1st, and I think it will complete the record. I understand that this correspondence is also being tabled in Ottawa.

MR. W. B. LEWIS (York-Humber): Mr. Speaker, before the orders of the day, I would like to bring to the attention of this House an item which appeared in the *Globe and Mail* under the caption "British Immigrants and their Plight." I quote in full:

Two newly-arrived British families told of their experience tramping the streets of the city in search of jobs and accommodation.

After a fortnight of sleeping on floors in rat-infested rooms, encountering a drunken landlord, being evicted because their children would not eat hot dogs, living on borrowed money, and failing to find work, the families were safely settled last night in one of the city's best hotels, with wealthy men and politicians rallying to help them.

You will notice I said "wealthy men," not "wealthy politicians":

The families are: Mr. and Mrs. Henry William Wood and their children, Gerald, 5, and Jane, 7; and Mr. and Mrs. Charles Edward Smith, with Christine, 4, and Susan, 8.

Both men were skilled joiners and were partners in a small business in London.

They are among the first wave of the 50,000 British immigrants expected to arrive in Canada this year.

After telling the story of their misfortunes since landing in Canada, Mr. Wood said last night: 'We met lots of British chaps down at the immigration offices here in Toronto who have already booked their passage home. They think it is just hopeless.'

Mr. Speaker, everyone in this province admired the care and interest of this province of the Hungarian people, but I am strongly suggesting we should provide the same interest for people coming from the mother country.

I appreciate immigration is mainly the problem of the Dominion government — but as many of these people coming out to Canada will populate the province of Ontario, it will be our responsibility to assist them in every way possible until they are settled down.

Without being too emotional, I can say, many hon. members in this House would not be here today if it were not for the courage of our forefathers who did the same thing.

It is admirable that some municipalities will hold investigations into this matter, but I strongly recommend that this government provide leadership immediately, so that we may feel sure that adequate assistance will be given to these newcomers from the old land until they are properly established.

As I represent a part of metropolitan Toronto which will receive a great number of these people in this coming year, I will gladly offer my services, as part of the government, to assist these people in any way the government may deem

desirable, for I feel very strongly that now immigration is under way we must put our shoulders to the wheel and assist, wherever possible, these good people who are coming to this great country of ours, and who will provide outstanding citizens for our future generations to come.

HON. J. W. FOOTE (Minister of Reform Institutions): Mr. Speaker, I am not going to emulate the hon. member for Waterloo North (Mr. Wintermeyer), by issuing a verbal challenge to the *Globe and Mail* or any other paper. I think there may be something said for his stand, and you will have noticed recently an even more vigorous challenge was issued in another jurisdiction.

I might offer the hon. member some cold comfort when he speaks of the *Globe and Mail* as a mouthpiece of this government, by referring to an editorial which appeared this morning with regard to my own department and which is labelled, "Reform Wanted." This is an editorial and other news items referring to the new school for incorrigible girls at Galt, and in view of these statements which have appeared in the press and on the radio regarding this school, I would like to make an explanation to the House today.

To begin with, this unit is constructed for girls who are incapable of fitting into the programme of the main training school at Galt. It should be understood that all girls committed to the Galt school are difficult to the degree that their own parents and social agencies have been unable to deal with them. Most of these girls adjust well to the Galt programme.

The ones who will go to this new school are those who disrupt the normal programme of the Galt training school and who were formerly sent to the training school section of the Mercer. This new school at Galt is being built at the request of the Women's Group on Penal Reform. It has four separate units for 8 girls each. Each unit contains 8 air-conditioned bedrooms 7' x 9', one large day room — brightly lighted by

natural light—and one lounge for reading and writing. In addition, there is one classroom and two large occupational therapy rooms.

The bedrooms are intended for sleeping purposes only and during the daytime, will have the doors open and will receive plenty of light from the day room. For occupation at night it was considered that a small pane of glass in the door would be sufficient.

My staff, custodial and professional, have been consulted at all stages of the planning and are convinced that this type of building is necessary and suitable. For myself, I am in complete agreement with them.

If the girls will behave themselves properly, they can remain under ideal conditions in the main Galt school, or can return to it at any time they are prepared to co-operate.

I appreciate the interest women's groups have taken in this department, but I wish to state bluntly that as long as I am Minister, I will stand by my staff, who know this problem thoroughly and who have the responsibility of dealing with it.

Mr. Speaker, in addition to this, I would like to read a letter which I received just before I came into the House today. It is from the president of the Elizabeth Fry Society. It reads as follows:

Following my phone call to your office this morning, I have enquired into the circumstances which associated the name of the Elizabeth Fry Society of the press release of the Penal Reform for Women Joint Committee. I find, and Mrs. Hodgson of this committee agrees with me, it must be attributed to the newspapers. We have considered taking it up with the press but concluded it would probably do more harm than good. We are as distressed by this occurrence as both the joint committee and you yourself must be justifiably annoyed by it.

We deeply regret the circumstances over which, however, we have

no control, and offer our apologies for the unwelcome and inaccurate reporting.

MR. J. G. WINTERMEYER (Waterloo North): Mr. Speaker, before the orders of the day, I would like to ask the hon. Provincial Treasurer whether he will permit me to refer to the question of the tabling of the correspondence that he effected a few minutes ago. The question I would like to ask is this: is the significance of the correspondence the hon. Provincial Treasurer has tabled an effective and binding contract between the federal and provincial governments?

HON. MR. PORTER: This is the correspondence prior to the correspondence that was tabled the other day, and the reason this is being tabled is that the hon. Mr. Martin requested the hon. Prime Minister to table this correspondence in the House of Commons, and this is a duplicate.

MR. WINTERMEYER: Has a binding contract, in fact, been executed?

HON. MR. PORTER: No. Following the correspondence which has been tabled, we have now received a draft of what is put forward as the master agreement, which they hope eventually, will be worked out in such a way that it will apply to any province which wishes to join. This is still in a draft stage for our consideration and for the consideration of any other province which is interested. And the various parties, from that, will eventually formulate a document which will be acceptable in all cases.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, does the government intend to put the Ontario plan before the committee while the master plan is still in its draft stages?

HON. MR. PORTER: I do not know exactly what the hon. Prime Minister intends to put before that committee. I understand the Ontario plan will be put before that committee; that is my understanding, but that is subject

to correction. As pointed out, the correspondence covered the main points which we think are in substantial agreement.

MR. SPEAKER: Before the orders of the day, I would like to extend a welcome to 5 groups of students representing Blantyre Public School, Scarborough; Clarksdale and Laurie Smith Public School; Nickel Belt High School; Notre Dame Congregation, Toronto; and Villa Marguerite Bourgeoise, the only bilingual high school in the Toronto area, and the Mother Superior is Mother Superior Sister Mary Selicien. We welcome these groups who are here to view the proceedings of the House.

Orders of the day.

THE BUDGET

MR. ALLAN GROSSMAN (St. Andrew): Mr. Chairman, in rising to speak today, I beg the indulgence of yourself and the hon. members of this House, because I am going to confine my remarks exclusively to the question of fluoridation.

The reason I do so, Mr. Speaker, is because I am concerned about the possibility that the government might, conceivably, succumb to the pressures which appear to be building up in favour of fluoridation, and I am strongly opposed to it. In saying that, I am not unaware, from bitter experience, that I lend myself to the oft-repeated charge of those who sponsor fluoridation of being a crackpot and being somewhat fanatical. As a matter of fact, of being almost out of my mind.

I would like to tell the hon. members of this House, if any of them do not approve of fluoridation, and if they intend to speak out against it, they may as well be prepared in advance of being put in that same vile category. I know this from the experience I have had.

I have studied this matter for about 5 years and have read every conceivable piece of literature I could lay my hands on both pro and con and, I might say too, Mr. Speaker, in many instances, if

not in most, the charge that you are associating yourself with crackpots and fanatics, is deliberately sponsored and very insidiously so. I have had experience where someone who attempted to make a charge like that hold, deliberately arranged with some crackpots—in fact you might almost qualify them as mental cases—to associate themselves by coming out at public meetings with placards and panels and that sort of thing, so that when you make your appeal you appear to be associating yourself with that kind of person.

I am not concerned with this charge; I have had too much experience with it, and I am not going to be allowed myself to be panicked into silence or approval of fluoridation on that account. I am going to attempt to convince this House and this government that they should not favour fluoridation on two grounds: one, on the basis that the long-term effect of the medication of the water supply has not been proven; and, secondly, and what is to my mind most important, that it is a contradiction of our moral, ethical and democratic principles.

I will be quite frank, Mr. Speaker, the reason that I raise the medical aspect of this thing is because to most people the democratic aspect—the question of the right of the individual—his freedom of choice, the dignity of his person is a rather academic question, because as we know, there are many people today who give no thought to those things, to the fact that over a long period of time there is a chipping away of their freedoms. So I am, quite frankly, bringing forward the question of the matter of the medical aspect of it merely to fortify my objection to it on the grounds of principle.

There are some who say, with respect to fluoridation, "we must go along with the experts." I have had people say that to me privately as well as publicly and they seem to think this is something they should say to satisfy their own conscience. Of course, it is very much easier not to make a decision yourself, particularly where there is a matter so

important, and particularly when it is a matter in which it is difficult, in many instances, to arrive at a decision. They say, "After all, I have to decide some way and if the experts say it is all right, I will have to go along with it."

I am going to suggest the hon. members cannot get out of it that easily; they have quite often, either in municipal life or other legislative capacity, disregarded the opinion of so-called experts. It is not a question of what the experts want in this instance. The experts and the advocates of fluoridation are not going to enforce fluoridation. They ask the legislators to do it themselves and, therefore, it is on my conscience and on the conscience of all the hon. members of this House that they have to either advocate or vote for fluoridation in any way, shape or form, because it is they who will be enacting the legislation to do it.

I strongly suggest, Mr. Speaker, that if there is the slightest shadow of a doubt in their minds with respect to any harmful effects of fluoridation or if there is any shadow of a doubt in their minds as to whether it is a breach of democratic rights, then they have no right advocating fluoridation.

I would like, at first, to find out who these experts are, and I would like to tell the hon. members of this House that the experts, so far, are associations and leagues; medical associations, dental associations, and so on, who presumably speak for vast groups who, as individuals, have no time to give a great deal of study to the matter of fluoridation and its effects.

I have discussed this matter with medical men — eminent medical men and eminent dentists — some of whom will say: "Well, I don't know too much about it. I am a busy man, I haven't got time to go into that sort of thing. I have to take the advice of my association in a matter of this nature or I would never get anything done; so I go along with it."

There are others who will say privately that they are not in favour of it.

I suggest that if the hon. members of this House speak to as many medical men privately as they can, and to as many dentists as they can, they may be amazed at the number who tell them they oppose it. Yet when they are asked: "Why don't you come out and say so?" they will say, in a great many instances, that they do not have the time; they are not interested; and in some instances they will admit that they are afraid to oppose it for fear of ostracism by their colleagues in their profession.

The hon. members might like some examples of that. Let me, if I may, quote Dr. Gordon Bates, general director of the Health League of Canada, who, in a statement last year, declared: "Persons opposing fluoridation in water make up a small malicious, mendacious minority." I think the hon. members, Mr. Speaker, would be very interested in Dr. Gordon Bates' opinion of politicians — as I say, he is general director of the Health League of Canada. I quote him. I clipped this from a magazine called *Health* which, I think, the Health League of Canada was mailing to me for some time, and I happened to read his comments in this book.

This was said by Dr. Bates, and I quote him as follows:

In this modern world of seething political ideas, one is prone to examine his ideas about democracy. In the western world, every one is likely to believe in it. Yet democracy in action seems to often leave much to be desired.

Politicians for example in a democracy are expected to represent public opinion. Most politicians feel that they must express public opinion if they are to be elected. The fact that public opinion may be utterly wrong, however, undoubtedly leads many would-be political leaders to espouse causes which are not in the public interest.

The trouble is that most politicians have most at heart the problem of being elected. If they are to be

elected by voters who themselves are uninformed, or ill-informed, or uneducated, what are the poor fellows to do? Obviously to run with the hare and hunt with the hounds is the easiest thing to do, and far too many outstanding figures in the field of politics owe their success to this policy.

All of which is nothing more than an observation of how life is lived. The true political leader is the fellow who doesn't care whether he is elected or not—

and I may ask, Mr. Speaker, how is he to become a political leader if he is not elected—

—not the first or the second time anyway . . .

In this article, Mr. Speaker, and through many articles which I will read on this question, the same thread of thinking appears — the idea that some one in some ivory tower knows better than the mass of the people, or their elected representatives and they should have the say as to whether or not people should take fluoridated water or not.

They say, "We say it is good for you. You mind your own business."

Let us now find out whether there are any qualified men actually opposed to fluoridation. Again, from the *Globe and Mail* of Tuesday, October 2, 1956, I quote:

The dividing line between what is good and what is dangerous in fluoridation is very fine. Dr. Gordon Nikiforuk, research committee chairman of the Canadian Dental Association, said here tonight.

Addressing the Lord Elgin Home and School Association, the assistant director of the Hospital for Sick Children's dental department told the group that fluorine is good for the teeth from a medical standpoint, but it should not be introduced without taking the individual's health into consideration. He said it was a toxic or poisonous compound. Fluorida-

tion has become a political issue in Toronto and it will in Ajax, he said.

"I don't think it is wise for any dental group to push fluoridation. It is in the hands of the public to push it and it is up to the dental group to act in an advisory capacity," he said.

On April 2nd, from the *New York Times*, Mr. Speaker, where they were having quite a "hassle" on the question of fluoridation, there is a quotation here:

In this connection he cited the 4-year continuing experimental programme at Bassiac (N.J.) General Hospital with 600 mothers and their children, where it was found some reacted unfavourably.

And on the question whether there are any reputable medical people against it there is this:

Our belief is that there are better and safer ways of providing fluorides for the prevention of caries . . . in children's teeth than fluoridation of the water supply. We have a number of reputable medical people who have turned up evidence that some people in fluoridated areas have been harmed where the strength is one part fluoride to one million parts water.

Let me, if I may, read some lines from a letter which appeared in the *Toronto Telegram* of March 30, 1956, from a man by the name of Dr. George L. Waldbott in Detroit — and I may tell hon. members of this House that this man was castigated from pillar to post. I do not know whether the man is alive today, a year from this, and I would not be a bit surprised if he was hounded to death. What they said about this man, who is an eminent physician and who has many degrees, is utterly shameful, Mr. Speaker. Among other things he states:

In contrast to the surveys presented by the Public Health Service, which purport to show no harm from fluorides, carried out mainly by dentists,

biochemists and statisticians, there is now an increasing body of individual observations by physicians and of well-substantiated clinical reports which have already appeared in medical journals —

He goes on to ascribe certain ailments to the ingestion of fluorine; and in this same hassle I referred to previously in New York, a Dr. Haven Emerson, who is a violent proponent of fluoridation, stated as follows:

I would be happy to be the low man on the totem pole in the order of "fuzzy-minded nitwits" among those eminent and reputable scientists and doctors who have taken a position in opposition to fluoridation —

In other words, this advocate of fluoridation speaks of "many eminent and reputable scientists and doctors" who have opposed fluoridation.

To come a little closer to home: I am sure that not even those who are in favour of fluoridation of our water supply will claim that this man is a "crackpot." I refer to J. H. Johnson, professor of dental surgery and anesthesia; immediate past president, Ontario Dental Association; past president, Academy of Dentistry; chairman of the editorial board of oral health; associate editor, *General Oral Surgery*, and so on.

I hope this gentleman is alive today. I got this letter a year ago when the question of fluoridation was being discussed in the city of Toronto; because if ever I saw a man who was suffering from the kind of attacks he was getting from the health league and the dental associations and some of his colleagues — if I ever witnessed any such man it was he, and he was beginning to look it.

I was on panels with the gentleman, and the way he was castigated by Dr. Bates and some of the others — well, it was shameful. Let me read what he has to say:

For your information, I am enclosing herewith a memorandum which I have mailed to certain members of the works committee along with two other

enclosures. One is by Dr. J. J. Craig of Peterborough, Ontario, and appeared in the Peterborough *Examiner*, and the other is from the *Journal* of the New Jersey State Dental Society.

I earnestly request you to review this material before taking any deciding action on fluoridation. The responsibility for whatever action the metropolitan council may take will not react on your advisors but on yourselves, and it is of utmost importance that your decision should be based on unchallengeable facts.

It is my earnest conviction that no such facts have as yet been established, and I beseech you to devote the money that would be spent to cover the first year's cost of fluoridation to full and unbiased research which would supply you uncontested facts upon which to base your decision.

If there is any doubt about what they have been saying about Dr. Johnson, may I quote from the *Globe and Mail* of March 14, 1955:

A professor at the University of Toronto said last night that the fluoridation issue has divided him from colleagues.

Dental faculty member Dr. J. H. Johnson said the subject was causing "a great deal of opprobrium."

"Some of my own colleagues won't speak to me and I have scarcely opened my mouth yet."

The hon. member for Ontario (Mr. Dymond), the other day, made some reference to the Delaney report. I have a copy of this report here. It is from a select committee "to investigate the use of chemicals in foods and cosmetics"—he is a representative of the United States—and it is with regard to the matter of the fluoridation of public drinking water, dated July 10, 1952.

This is 5 years ago, and it is important, Mr. Speaker, because they had nothing but reliable and expert witnesses in this

investigation. Their terms of reference were as follows:

In the interest of simplicity, the subject matter of the committee's investigation was divided into 4 parts:

Since water is a food, the committee's views on the fluoridation of public drinking water could have been included in the food report. In view of the importance of the subject, however, the committee decided to consider it separately.

Your committee, therefore, now respectfully submits its fourth and final report, entitled "Fluoridation of Public Drinking Water."

Seven days of public hearings were devoted, almost entirely, to fluoridation. The committee confined itself to hearing scientific testimony concerning the safety and efficacy of this procedure. Eighteen witnesses, qualified by their background and training, and representing both sides of this controversial subject, presented their views and recommendations.

I quote again, Mr. Speaker, a little further down in the report:

Fluorine is a gas, and is found naturally in combination with various mineral salts as a fluoride compound. These compounds are very poisonous. The acute toxic effects of fluorides have little bearing on the hazards which may be associated with its use in public drinking water for the purpose of reducing dental decay.

As in the case of most chemicals used or proposed for use in food, the hazard, if any, will result from the cumulative action of small quantities ingested over a relatively long period of time.

The report goes on to say:

A minority view is held by a number of qualified scientists who believe that the safety of this procedure has not yet been sufficiently demonstrated. It is their position that the proponents of fluoridation are proceeding too rapidly in recommending that com-

munities fluoridate their water supplies immediately.

The area of controversy concerning the fluoridation of water arises over the question of whether a sufficient amount of investigation and study has been completed to justify a recommendation of universal application of this procedure at this time.

They finish off that statement by saying:

The view of the minority group is not that it is known that the ingestion of fluoridated water at one part per million will result in injury to health, but rather that it is not known with any degree of certainty exactly what subtle physiological effects may ensue, and that a number of important questions still remain unanswered.

It is known that fluorine is a very toxic element, but comprehensive chronic toxicity in animal studies have not been conducted with water to which inorganic or fluoride compounds have artificially been added.

This is important, Mr. Speaker.

It was testified that normal kidney function will efficiently excrete almost all the fluorine ingested through fluoridated water, and that the small amount that remains will be stored primarily in the bones and teeth, little being stored in the soft tissues with the possible exception of the thyroid gland.

However, no studies have been published concerning the effect or disposition of fluorine if ingested by persons with impaired kidneys over a period of time.

The professor emeritus of biochemistry of the University of Wisconsin, who spoke at this meeting, testified as follows:

I wonder whether really there has been any accumulated evidence from expert examination to show that there were no untoward influences over the time. As a matter of fact, we simply do not know.

As I always emphasize, the toxic limit is a tremendously important

matter. We find communities ingesting a fluorine content such as indicated, and nevertheless have gotten along well, and apparently have had no recorded pathology. Yet we wonder how well controlled was the examination, and whether there is not something after all that did develop that we do not know anything about.

MR. A. COWLING (High Park): Mr. Speaker, I would ask the hon. member one question at this time, so that he might relax with his reading for a moment.

In his preparation for the case against fluoridation, he has been reading from many articles, and in the course of my question I would just like to make mention of an article I have here and ask for his views on it. As far as I am personally concerned, Mr. Speaker, I favour fluoridation of our water supplies.

I am going to read part of this, and then I will get around to the question to the hon. member. This is an article taken from *The Canadian Journal of Public Health* which was recently released, and it says:

A survey of the extent of water fluoridation was recently published by Dr. A. E. Berry, indicating that in 1955, some 17 municipalities with approximately 356,000 population employed fluoridation, including Brantford, Sudbury, Oshawa, and Toronto township in Ontario; Moose Jaw and Saskatoon in Saskatchewan; Prince George in British Columbia; Pointe Claire in Quebec.

To this report should be added Brandon, Manitoba.

In January, 1957, the greater Winnipeg water district system, supplying Winnipeg, the cities of St. Boniface and St. James and the town of Transcona commenced the distribution of fluoridated water.

We are all familiar with the case of Brantford. They have been experimenting there for a period of over 10 years.

The Canadian Public Health Association, the Canadian Dental Association,

the Council of the Canadian Medical Association, the Ontario Dental Association, the Council of the Academy of Medicine, Toronto, and the Health League of Canada, and other bodies have expressed in resolutions their unequivocal approval of fluoridation.

What I would like to ask the hon. member, Mr. Speaker, is this:

In the face of this Canadian medical opinion, does he still feel that this government should not pass permissive legislation allowing the municipalities to make their own decision on the fluoridation? Does he not feel we should simply tell them that they can? That is the question.

MR. GROSSMAN: Mr. Speaker, my answer to that is unequivocally yes. I think the government should refuse to grant them permission, and I think the other municipalities erred in going ahead with this programme. I will deal with that later, I hope, to the satisfaction of the hon. member.

I was going to, later on, bring in the question of the associations, although I think I mentioned, in opening, that the medical associations and so on officially approve of this, in spite of the fact that many of their members oppose it.

Mr. Speaker, I am going to quote further from this. I am quoting rather fully from this report because this was a very important meeting which this congressional committee held, and there can be no charge laid against this committee that the decisions were political because those, as I have pointed out, who testified before it were all eminent in their fields. Mr. Speaker, this is very, very important:

Among the special studies planned, in conjunction with the Newburgh-Kingston experiment, were comparative bone density studies of the children—

and so on, and then they say:

Furthermore, no study has been made of the effect of fluoridated drinking water, if any, on adults or the aged

who may be suffering from chronic diseases or impaired kidney function. Proponents of fluoridation believe that the likelihood of injury to anyone from the ingestion of fluoridated water in the amounts recommended is very remote, although it is admitted that investigative work on this problem has not been completed.

None of the witnesses was irrevocably opposed to the principle of fluoridating water supplies for the purpose of reducing dental decay.

I would like to draw that to the attention of hon. members, Mr. Speaker. None of these witnesses apparently oppose it on the special ground that I do, that is, on the principle of destroying my democratic right of saving what I should ingest and otherwise. These were scientists who were merely talking about the medical aspect of it:

It can be said that a number of scientists are opposed to the programme at this time.

In substance, their position is that there are too many unanswered questions concerning the safety of this procedure to permit recommendations to be made that would result in the consumption of fluoridated water by many millions of people every day of their lives.

It is their view, generally, that recommendations for universal fluoridation of water supplies should not be made until further research into the effects of the ingestion of fluoridated water by adults, the aged and the ill is completed and final results of the studies now in progress known.

No one need bother telling me that this is four and one-half years old, and they have found out a lot more since, because they have not. There has not been enough time elapse since then to know what the effect is upon the aged and the ill and that sort of thing. All that they can tell us since then is that the incidence of dental caries has decreased in young children.

If I may be privileged, Mr. Speaker, I know there are very many people who,

in sponsoring fluoridation, will try to make some connection between vaccination and chlorination and say that that is exactly the same principle as chlorination of the water supply. I quote further from the report along these lines:

The committee is not concerned with the term "mass medication." The important problem is not whether fluoridation is or is not mass medication, but whether it contains any elements of hazard to any portion of the population.

Nevertheless, since the question was raised at the hearings, the committee wishes to point out that fluoridation programme does constitute medication, and medication with which the entire population must necessarily be treated. Medicine deals with the prevention, cure and alleviation of disease.

A reduction of the incidence of dental disease is the aim of fluoridation. It is safe to say that fluoridation is mass medication without parallel in the history of medicine.

An analogy is vaccination, which is designed to prevent smallpox and not to treat persons who are afflicted with the disease.

It may be contended that people must submit to vaccination regardless of their personal predilections. The difference is one of degree. Persons who are not vaccinated and contract smallpox may become disfigured or die. More important, they may endanger the entire community.

The community health requires, therefore, that the wishes of the individual, including those of persons who may suffer some adverse reaction, be submerged. Even so, it is physician who administers the medication and who watches the patient. Fluoridated water, however, must be drunk by everyone and without personal medical supervision or guidance.

Furthermore, dental decay is not contagious, nor can it be said to constitute a serious danger to health. This would seem to be particularly

significant since there are other methods (although perhaps not as efficient as the fluoridation of communal water systems) of reducing dental decay and, as indicated, other techniques of applying fluorides such as topical application, where no hazard whatever exists.

There is no real similarity between the chlorination of water and the fluoridation of water. Chlorine is added to drinking water to destroy harmful bacteria in the water, whereas fluorides are added for the purpose of effecting a physiological change in the body which results in a reduction in the incidence of dental decay.

It may be noted, in this connection, that chlorine may be gotten rid of readily by a slight heating of the water, whereas fluorides cannot be driven off by heating or boiling.

This is the conclusion that the committee came to:

In the opinion of your committee, the fluoridation of the public drinking water of a significant portion of the population of the nation is an integral part of the problem adverted to by the surgeon general. Water is consumed by every person in a community, regardless of his age, physical condition, or possible personal reactions. It is essential, therefore, that all the facts concerning fluoridation be disseminated, and an opportunity given to the people of each community to decide for themselves whether they desire to assume, at this time, the calculated risk inherent in the programme.

The committee is of the view that a sufficient number of unanswered questions concerning the safety of this programme exists as to warrant a conservative attitude. The committee believes that if communities are to make a mistake in reaching a decision on whether to fluoridate their public drinking water, it is preferable to err on the side of caution.

This would seem to be particularly true since there are reasonable alter-

natives to fluoridating the public water supply, even if these alternatives are not quite as effective.

The topical application of fluorides to the teeth of children is, perhaps, more expensive than the simple addition of fluorine to drinking water. Nevertheless, it is a feasible programme, and one which will provide comparable protection for children's teeth for the period needed to acquire evidence beyond a reasonable doubt that no hazard exists to any portion of the population by reason of the addition of fluorides to drinking water.

The advisability of fluoridating the public water supply of the nation is essentially a local problem, to be determined for itself by each community. Your committee is not recommending that federal legislation be enacted in this field.

This is signed by the committee members.

Mr. Speaker, the chairman of this committee, Mr. A. L. Miller, who at that time was formerly head of The Nebraska State Department of Health, insists on adding some additional views on this matter. He says:

I have signed the committee report on the question of fluorides in water. I agree with the report.

In my opinion, the United States Public Health Service has been premature in urging universal use of fluorides in water. They have gone beyond the scope of their duties, or what is expected of them by Congress and the people, in urging communities to adopt the universal fluoridation of water without knowing the results of experiments that are now in progress.

The Public Health Service should concern itself with good public health measures and the prevention of disease. If it goes into the propaganda field, it will lose its effectiveness and the confidence of the public.

The American Medical Association points out, on page 1488 of the

hearings, in the last sentence, to its statement, and I quote:

"In places where children are subjected to warm temperatures and consequently drink large amounts of water, a lower concentration of fluorides may be necessary to avoid mottling of the teeth."

In other words, in hot weather, not only children, but adults, drink from 2 to 10 times as much water as they would in cold weather, and thus would get a larger dose of fluorides. The possibility of storing the fluorides in the soft or bony tissues of the body might be a serious factor in undermining the health of the individual.

I do feel that the judicious use of 1 p.p. of fluorides in water or milk will reduce dental caries in children by about 50 per cent. The fluorides should be given from the first year through the ninth or tenth year.

It has been pointed out that there are other factors that control dental caries — the diet, the amount of carbohydrates, and the general health of the child are perhaps of more importance than the question as to how much fluorides he may have in his drinking water.

It should be pointed out that there are other ways of giving fluorides besides putting them into the water. Tablets are now available that can be given to the child two or three times a week; or drops can be placed in the milk that the youngster drinks.

When it comes to figuring the cost, it should be remembered that if the formula from the census bureau is followed, only 1 person out of 8 in the population will be under 8 years of age. It is admitted dental caries are reduced about 50 per cent. from fluorides in the drinking water. Therefore, when considering the cost, you will only help 1 out of 8 people by putting fluorides in the communal water supply and that 1 by only 50 per cent.

The Food and Drug Administration

won a lawsuit from a brewery because the brewery used fluorides in making beer. It is my understanding also that the Food and Drug Administration would not permit the addition of fluorides to bottled water.

I would also point out that while it is said generally that the American Medical Association has given its unqualified approval to the use of fluorides in water, the hearings before the committee seem to make such approval a qualified one.

In the statement of the American Medical Association found on page 1709 of the committee hearings, the secretary of the association declared:

"The councils purposely refrained from making any recommendation that communities support or oppose projects for the fluoridation of water supplies. It was the opinion of the councils that this question should be answered by the dental profession."

Also in the same statement, in speaking of the house of delegates, we find these words:

"Again, however, the house of delegates did not urge or recommend that any communities undertake to fluoridate their water supplies."

From the above statements, it would seem that the councils and the house of delegates of the American Medical Association did not give an unqualified endorsement for the use of fluorides in drinking water.

It should also be recognized that while there are some 3 million or 4 million people living in areas where there are fluorides in the water, these fluorides come in a natural combination with other elements of nature.

This is another factor which we had better recognize now, because the proponents of fluoridation will tell us that there is no harm done to people who live in areas where there is natural fluoridation. Let me repeat that:

It should also be recognized that while there are some 3 million or 4 million people living in areas where

there are fluorides in the water, these fluorides come in a natural combination with other elements of nature. This can give an entirely different reaction than when raw fluorides by themselves are placed in the drinking water.

I want to impress this upon the House:

I am convinced that many of the groups who now endorse fluorides in water are merely parroting each other's opinions.

I hope the hon. member for High Park is paying attention to that.

I am convinced that many of the groups who now endorse fluorides in water are merely parroting each other's opinions. They have done no original research themselves.

MR. COWLING: Would the hon. member mind repeating that, please?

MR. YAREMKO: Does the hon. member believe that statement?

MR. GROSSMAN: Oh, yes, I certainly do. Does the hon. member mean with respect to them parroting others? Yes, I believe that and I intend to prove that, too.

It should be understood that communities that desire to add fluorides to the water should, in justice to their people, give them complete information. Where communities have had an opportunity to vote upon the question of adding fluorides to the drinking water, it is generally rejected. They should know that it is still in the experimental category, and that experiments now in progress have not been completed. In my opinion, there is no urgency about the matter.

You will note, Mr. Speaker, that I have not refrained from quoting some of the things which may be used by the proponents in favour of fluoridation. For instance, there is the suggestion from this committee report that if a government is going to do anything, then it should leave it to the municipalities to make their own decision.

I do not approve of that, because if there is going to be a vote in municipalities, there is a possibility of some majority forcing their opinions upon minorities on matters which they have no right to do, and in spite of the fact that many eminent medical men have not given their approval to the use of fluoride in water.

I have here a letter from Dr. Bates and he says:

At the request of several members of the Ontario Legislature—

Some people have been talking:

—I am taking the liberty of forwarding you herewith some literature on the question of fluoridation of water.

In his closing sentence he states:

We have gone over all of the arguments submitted against fluoridation and we have found none of them valid.

So little Dr. Bates, in his own little way, brings up his little fist and says all these eminent scientists are crazy, not one of them has given us a valid argument.

I think this is a good time to deal with the question the hon. member has raised about parroting others.

This has been one of those things where an association of medical or dental men in some area—or, in the instance of the health league, an association which does not represent particularly a profession, which is not made up of medical and dental men only, but is made up of a national citizens' council committee for the world health organization—will come to a decision because of some of the things they have read about in the reports perhaps from Newburgh, New York, or Kingston, New York. As far as they are concerned, that is sufficient evidence, and they go on record as favouring this. They may be representing 10,000 doctors.

Now if we went to see these doctors individually, many of them will tell us, as I pointed out earlier in my speech, that they have not read about it, and they are prepared to take the opinion

of those organizations supposed to represent them. Others will tell us they are opposed but they have no time to go into the matter; others will say they are opposed but they do not care to bear the wrath of their colleagues because this will put them in the category of being reactionary and not up to date.

One community will point out another community which has fluoridated its water and ask: "What is the matter with the board of health of the city of Toronto; what is wrong with the medical officer of health there? Are they a backward community?"

Well, it is sort of a score board, and the medical health officer of that community wants to be put on the right side of that score board because when he meets with his colleagues he does not want to be considered in their opinion a sort of backward person who does not jump on the band wagon with some new wonderful discovery which they think is a good thing.

For example, in this morning's paper there was a news item on a case before the Supreme Court that metropolitan Toronto is bringing for the fluoridation of its water supply; the article, for example in the *Globe and Mail* this morning, amongst other things, says:

Before the court is an appeal by Metro comprising the city of Toronto and 12 adjacent municipalities sharing certain public services against an order by the Supreme Court of Ontario quashing a by-law under which Toronto proposed to fluoridate its water.

After reading that, it could be that some board of health or some health league some place else in North America will bring out this article and say: "Well, there you are, there is a community of 1.3 million people who are all in favour of fluoridating their water supply." Just how much in favour are we? The history of this is as follows:

In 1951 Toronto local board of health started inquiries about fluoridation of water supply. The medical

officer of health studied the matter and submitted a recommendation.

On March 17, 1952, the local board of health recommended implementation of fluoridation of the city's water supply but this was referred back.

That is another way of the city council refusing or rejecting it. The city council, in other words, rejected it in 1952. Then the Toronto medical officer of health supposedly studied fluoridation further in 1953 and 1954.

In 1953 the provincial Legislature, of course, passed The Municipality of Metropolitan Toronto Act. Under this the metropolitan corporation assumed the waterworks system of the area municipalities. Then in 1955 the local board of health recommended — that is the city of Toronto, not metropolitan Toronto — recommended implementation of fluoridation. That is, the local board of health recommended the implementation of fluoridation.

But on March 1, 1955, the city council did not adopt this recommendation but decided to advise the metropolitan council that city council is of the opinion that fluoridation of water should be undertaken only after a vote of the electorate of the 13 area municipalities. This, of course, was a way of avoiding making a decision.

Toronto sent it on to metropolitan Toronto with the proviso that they take a vote, knowing full well — and since I was a member of the council at that time we all knew full well — there was no way of taking a vote of the metropolitan area because there were 13 municipalities.

The chairman of the metropolitan council advised the works committee that the metropolitan council had no way of taking a plebiscite and there was no one who had the authority to ask the 13 municipalities to do so.

The fact remains that the city of Toronto did not approve of this, and that would mean 670,000 to 680,000 people; the village of Forest Hill does not want it and that is another 20,000.

So, in spite of the fact that more than half the representatives, at least, of their council opposed this, the medical officers of health, boards of health and medical boards all over the country can now say: "Here are 1.3 million people who are fighting the court to get fluoridation of their water supply." But what it actually means is a bare majority of metropolitan council — after all this buckpassing within the municipality which did not want it, resulted in the fact that a few in majority — perhaps 3 or 4 are the ones fighting for fluoridation.

But the news item gives the impression to all the communities all over North America that this great community is clamouring for fluoridation of water supply.

I suppose medical officers of health in the northern, southern, western and eastern communities are going to be made to look like reactionary, ignorant crackpots because they will not go along with all these communities who are really not in favour of fluoridation, but on the face of it; appear to be clamouring for it.

In an article in February, 1955, in the *Globe and Mail*, the heading reads: "M.O.H. Supports Fluoridation." The article states:

Dr. L. A. Pequegnat, Toronto's medical officer of health, last night recommended fluoridation as a means toward better dental health in the community.

"Good nutrition makes for good teeth and good teeth make for good nutrition," Dr. Pequegnat told the United Empire Loyalists' Association.

What is the effect of that? Somebody reading this some place, or somebody speaking before some committee, will say that the medical officer of Toronto favours it. That does not leave the impression, perhaps, that the community does not want it. This information is carried along and it snowballs.

I have stressed, and I hope I have made my point, and I hope some hon. members will be interested in finding

out for themselves, when I tell them that many medical men fear ostracism, and are afraid to come out publicly against fluoridation even if they do opposite it.

If some of the hon. members here are a little doubtful about that, I will take them to see some of these people provided they keep the confidence, although it should not really be necessary to do so, but it is easy to tell some one else to be brave. I could take interested hon. members to a number of eminent—and I stress the word eminent—doctors and dentists and get their opinion privately.

MR. STEWART: What about psychiatrists?

MR. GROSSMAN: May I ask the hon. member just what he means? Is the hon. member suggesting that those doctors and dentists referred to need the attention of a psychiatrist?

MR. STEWART: Some of us have been referred to as crackpots and so on, and I wonder if they needed the benefit of a psychiatrist?

MR. GROSSMAN: That is what will be suggested, of course. That is why they are afraid; they will lose their practice and suffer hardship because they will be labelled as crackpots.

If hon. members want to know how some medical men react in terms of medicine, I am going to quote a letter which was written to the *Toronto Daily Star*. I think it was last year, about a year and a half ago, during the debate in metropolitan council. It was written by a very good friend of mine; as a matter of fact, he was the pediatrician for my children, and I have the highest regard for him.

Let us see if we can find out something about the mental — and I do not say it in a derogatory manner—attitude of some hon. members of that profession:

Allergic and chronically ill people would seem to be more vulnerable. The symptoms, in brief, may be in-

cient and widespread, involving all parts of the body including the nervous system, bones and blood. There is a gradual deterioration of health. In view of these reports, it might be advisable for the city council to delay its decision for another year, when further data is available, to determine just how large a segment of the population is affected adversely.

Now, Mr. Speaker, listen to this:

Ultimately of course, it may well be that what is best for the vast majority of men, women and children, should be adopted. Incidentally, a plebiscite involves only the voters, and they should not be allowed to obstruct the advancement of controlled scientific research. All "wonder drugs" have some adverse effects, but that should not be a deterrent for their use on the great majority of people who benefit from them.

I ask the hon. members of this House, do they think it right that simply for the sake of saving people trouble with their teeth, to forget the chronically ill and the many other ill people who are adversely affected? When we balance one against the other, is it not a callous outlook? We are not talking about a calculated risk that one has to take to cure cancer or heart disease; we are talking about dental decay. If it is a calculated risk, it is somebody else's risk.

I might say, at this time, that the doctor who said this was a young person, and I wonder how he will feel when he begins to reach the years of 60 or 70? Will he feel that he is expendable in order to make it easier for people to take care of their children's teeth by giving them fluoridated water rather than having them look after their own teeth?

And that is the way it pyramids. It is pointed out, one to the other, and it gets to the apex of some organization which represents 1,000 people, and from there to an organization which represents 5,000, and then to another which represents 30,000, and really it is only 20 people who are speaking for them,

and giving the impression that millions of people are in favour of this. This meaning of public health, Mr. Speaker, is not what these people want to do.

Incidentally, I think there is something that should be mentioned as well. It has been on my mind for some time. So long as we fluoridate the water supply there will be very little likelihood of developing commercial products which will take the place of a fluoridated water supply. As a matter of fact, we now have tablets that some people use but they might not be too good to handle; and there is some sort of fluoridated toothpaste.

So long as there is a demand for using sodium fluoride for the teeth, there is no doubt in my mind that something will be discovered, particularly as the pharmaceutical houses are interested in developing these things. This will permit the public to make use of this without the necessity of going to the expense of fluoridating everyone's water.

I would like to quote a portion of an editorial from the *Daily Mirror* of New York. They say:

This seems to be a reasonable request because, once a water supply is "spiked", the public has very little choice in the matter. And, where any process is debatable by medical experts, the public should have a choice.

Certainly at this stage, fluoridation is nothing to be decided by legislation.

If it is as good and as safe as its advocates claim it to be, why haven't some of our smart commercial outfits taken advantage of it? We get vitamin-enriched food and drinks of all kinds, thoroughly tested and proved by laboratory and research work, and okayed under the United States food and drug laws.

Fluoridated milk, for instance, might be commercially successful provided it could comply with the same laws. At least it would give the consumer a choice. He could take his fluoride or leave it alone.

Mr. Speaker, where there is a division of opinion, certainly a division of quali-

fied opinion, there is good reason for people to disapprove of this thing.

I would like to read an editorial from the Richmond, Virginia *News-Leader*. There is some very meaty material in this, and I would like the hon. members of this House to give it some attention, if they would:

AFTERTHOUGHTS ON FLUORIDATION

The action taken by Charlottesville's city council in ordering a halt to fluoridation of the public water supply prompts us to suggest that Richmond's city council undertake a thoughtful reappraisal of this venture here at home.

It has been nearly 3 years since Richmond began fluoridation. At that time, this newspaper—fairly overwhelmed by the recommendations of medical and dental groups—gave its affirmative support to the programme. We are bound to say that we would argue against it today, not so much for the possible harmful effects of fluorides (though a good case can be made on this score), but more broadly for reasons of public policy.

What we failed to consider sufficiently 3 years ago was the function of government in the field of public health. Why do we have health laws? What is their purpose? What do these laws have in common?

Mature reflection, we believe, will suggest that health laws exist primarily, if not almost exclusively, to protect the individual from contagious, infectious, communicable and dangerous diseases that may be spread by outside agency. That is the thinking behind the old law prohibiting the use of public drinking cups and towels for common use. It underlies the statute dealing with the sterilization of mattress materials.

Obviously, this is the whole basis for elaborate quarantine regulations set up in the code of Virginia. The laws on tuberculosis were passed for the specific purpose of "restraining tubercular persons from menacing the health of others."

And when one inquires into the specific diseases with which government has concerned itself in the past, one finds them enumerated, in the law: smallpox, yellow fever, cholera, typhus fever, bubonic plague, botulism, epidemic encephalitis, poliomyelitis, malaria, the venereal diseases, and the intestinal diseases, "in which diarrhea is a prominent symptom."

From all of this, it is evident that public policy in this field historically has been concerned with the spread of infections and dangerous diseases, whether the carrier is human or animal, or whether the organism may be spread by contaminated milk or meat or water. The idea, universally, is to protect the health of the individual from diseases that may be spread publicly.

That is the old and fundamental meaning of "public health," and to the extent that we get away from that concept, to that extent we are reading into new fields of public policy and governmental intervention into the responsibilities of the individual.

Where does fluoridation fit into all this? The sole purpose of adding fluorides to water, as we understand it, is to reduce tooth decay in children. The evidence is fairly conclusive, in the view of reputable dental authorities, that fluoridation does accomplish this purpose.

But is this a valid function of government? More and more we have come to doubt that it is. Tooth decay is not caused by water; it can be deterred by sound oral hygiene. A fluoride solution is available in any drugstore at a nominal cost for anyone who wants to see that his children get it.

Obviously, tooth decay is not "contagious, infectious, communicable and dangerous to the public health," in the language of the Virginia code. The individual subject to vacities in his teeth assuredly is no danger or menace to anyone else. Tooth decay, in short, is not a public disease; it is an individual ailment.

There is this to be said also: Water is a necessity; and so far as Richmonders are concerned, public water is their only water. Whether or not there are children in the household, fluoridated water must be consumed.

We cannot imagine that anyone would object to the treatment of raw water with chlorine, alum and copper sulphate, which have the effect of killing pathogenic organisms that might spread dysentery, typhoid fever and other diseases. But we believe objection is well taken to the universal ingestion of fluorides that may benefit children but also may aggravate kidney conditions and other chronic ailments among the middle-aged and older members of the consuming public. Much evidence is at hand to suggest that fluorides, even in minute amounts, may do precisely this.

It is true that fluoridation is now widespread: last May a survey found 1,100 communities with a population of 21 million now engaging in the fluoridation programme. It also is true that the practice has impressive auspices in the field of public health and in the dental profession.

But it gives one pause to note that a number of cities — Seattle, in 1952; Cincinnati, in 1953; Birmingham, in 1954 — have rejected the plan. Cities as widely separated as Atlantic City, Greensboro and Salem, Oregon, defeated fluoridation in referendums.

We may also reflect that medical literature is filled with accounts of nostrums and medications that have enjoyed great fads for a while, only to be quietly shelved in time.

We believe that a sober, rational re-examination of this programme leads to the conclusion that in the fluoridation of water, our government is not concerned with public health as such. Rather, it is imposing an affirmative "good" upon children, and in the process is compelling adults to consume a substance that admittedly can do them no good and may do them harm.

It is government "doing good," and

not government preventing harm that the individual could not prevent by his own voluntary action. We commend the matter to council as a question of public policy that warrants a considered second look.

I have given the arguments, essentially, up until now, on the grounds of the fact there is some suspicion that, in the older ages at least, fluoride may be harmful to older people as well as young people.

But my strong objection is not on these grounds. My strong objection is the fact that it is compulsory medication.

So far as the medication point of it is concerned, let me say, first, that I have a choice to give my children antibiotics, sulphas, or other medications. For instance, my children have had those, and there is some possibility that all of these may, over a long period of time, be harmful. It may be, 20 years from today or 30 years from today, that the sulphas, the penicillins—these types of medicines—which my children have had administered to them, may have some great harmful effect.

But I had a choice, Mr. Speaker, at that time. They were seriously ill and it was a calculated risk. I would say, naturally, that the decision, if your child is seriously ill, is: "Well, I am not going to worry about what is going to happen 20 years from today, because if he does not get it, he is not going to be alive 20 years from today."

This is essentially different from fluoridation. It is essentially different because there is such a choice.

Those who argue that it should be in force — why do they not argue that the Salk vaccine should be enforced? Certainly there is much more reason for suggesting that people should be injected with the Salk vaccine than there is that they should have fluoridated water for their teeth.

Why do hon. members of this House not suggest that we enforce the injection of Salk vaccine? The principle is exactly the same. The only difference

is that hon. members would never dare to line people up and regiment them for their shots, because the regimentation would then become more apparent, whereas fluoridating the water supply is more insidious, but people do not think of it that way. The principle is exactly the same despite the fact it would be more important for people to get shots of Salk vaccine.

I say, Mr. Speaker, if it were proven absolutely, without a shadow of a doubt, that there was no possible harmful effect to fluoridating the water supply, for 500 years—that is, if a person lived to be 500 years old, and it would not do him any harm and lots of good, I would still be opposed to it, because I do not want anyone to enforce medication.

No one has the right to breach the principle that I have the sanctity of my own person, that I shall say what I shall have injected into my person unless I am endangering someone else's life. It violates the dignity of man. It can lead to all kinds of uses. What will be next? There will be other things.

The pro-fluoridizationists also bring in the argument of pasturization and chlorination and vaccination. The very fact they use that argument to prove fluoridation proves my point, that they always use a previous breach of this law of freedom of choice to permit them to bring in something else.

MR. COWLING: Would the hon. member call chlorination a breach of the law of freedom?

MR. GROSSMAN: Of course it is, a necessary breach of the law of freedom of choice.

MR. COWLING: A necessary breach?

MR. GROSSMAN: Well, I did not say otherwise.

MR. COWLING: The hon. member said it was all part of the deal.

MR. GROSSMAN: Mr. Speaker, I hope the hon. member was listening to my description between the difference

of chlorination and fluoridation. That has nothing to do with the argument I am making here. I am merely saying while there was a good reason for chlorination, now that reason itself is used for an argument to put something else in.

MR. COWLING: Mr. Speaker, the hon. member might take a little breather here, if he would permit a question.

As far as I am personally concerned, chlorination is a medication—or whatever the medical men want to call it—to put in the water, to make it pure. The hon. member has said that by chlorinating the water, we can use that as a stepping stone to fluoridation. I cannot see why we should not. If chlorination of the water is a good thing for the people, then in the same way fluoridation would be a good thing for the people, when a local council decides to use it.

MR. GROSSMAN: Well, I am glad the hon. member did say that, because this leads me to the next point. That is precisely the point I am making. We do it once, then it leads to another one, and it leads to another one.

The next step might quite possibly be euthanasia. Does the hon. member approve of euthanasia? Euthanasia is the putting to death mercifully people who are incurably ill or mentally ill, and I will prove that in some instances it has been used to get rid of all people, because they were useless. These steps become much easier to take the next time.

There are many people, Mr. Speaker, who approve of euthanasia. Many doctors, for example, believe that in the case of people who are incurably ill, it is terrible to make them live a life of an incurable. They think that people who are mentally ill should be "mercifully put to death," as they call it.

Let me tell hon. members, this is an extreme case, and I hope the hon. members will not think I am deliberately bringing in extreme cases, but these are done step by step. It is always easier to take the next step.

Euthanasia, as a matter of fact, was used by Hitler to condition the German people to what he later led to.

The technique of an effective and discreet extermination, conforming to what the Nazis considered the "German way," was first perfected in the laboratory by German doctors and scientists before being applied on a large industrial scale by Himmler's SS. Here the German mentally ill served as guinea pigs for determining the most efficient way to exterminate the European Jews.

The "euthanasia" programme, however, was not undertaken for this express purpose; it had an independent genesis. But though the connection between "euthanasia" and "final solution" seems fortuitous—they were linked by a deep inner logic.

The final solution, incidentally, for the hon. member's benefit, was Hitler's terminology to express the extermination of the last Jew in Europe. Over 70,000 were officially put to death under the euthanasia programme. These were mentally ill people and later on, old people, because in the economy of wartime Germany, old people were useless mouths. They were people who were eating food and produced nothing.

Now I admit, Mr. Speaker, that is a very extreme case. But things that seem extreme today are not extreme tomorrow. There are people who would use the same argument. Because we have used chlorination and pasteurization, as the next step now it is easier to get the fluoridation programme accepted. The next time it will be something else.

Incidentally, I think hon. members know there are some religious objections to the fluoridation of the water supply. The Christian Scientists say this would be a great breach of their religious belief, and I think they are entitled to have their religious beliefs respected, provided their religious beliefs do not cause any illness or any communicable disease in the community.

In talking about religious belief, this is a rather humorous example, Mr.

Speaker, concerning the time when this was being discussed in city council some years ago, by two exponents of this thing, who were exploiting all the propaganda they could on it, and who were blasting me for being ignorant and a crackpot.

I got up and asked one of them, a member not of my faith, but a Christian and a very devout Christian, I presume, and I said: "Now, you know there is a body of opinion among the medical profession who believe that euthanasia would be a great programme, the putting to death of people who are suffering incurable disease, like mental illnesses and so on. Would you approve of that?"

He got up and said: "No, I would not." I said: "Well, the Christian Scientists, as you know, do not approve of fluoridation." He said: "That is different."

Of course it is different. I asked a member of my faith in the city council, and this may seem funny to hon. members but I think the principle is there. I said: "You are a great exponent of this fluoridation of water supply. You do not care what the Christian Scientists think about this. Suppose for the benefit of the reduction of dental caries it was decided that not sodium fluoride, but the essence of pure pork, was the thing to put in the water. What would you say?" He said, "Do not be ridiculous."

Well, of course, he would not approve of it, would he? All the people of his faith and my faith would be violently opposed to it. They would not see any inconsistency in that at all.

Of course, the Christian Scientists have a right to object to it. They will be forced to take medication, whereas the pure water today is not doing anyone any harm. It is not causing tooth decay. Hon. members are only saying: "You must take this because it is easier for us to look after our teeth that way."

We have no right, Mr. Speaker, to enforce it upon them, unless the community or a large portion of it is endangered by our failing to ingest this

water. I have a right to decide what is ingested in my system, and yes, I have a right to choose between bad teeth and freedom of choice.

I would say to the hon. members when they begin to speak about this, they are going to find it is much easier to support fluoridation than it is to oppose it.

I might also say this, that in discussing this privately with many members, that some of them will weaken when the pressure comes. And the pressure will come. The newspaper editorials will start to blast them. They will start to associate hon. members with crackpots, and some of them will weaken. There is not the slightest doubt about it, because I saw it happen in city council. I expect to see it happen wherever the question is brought up.

I have 3 children, and I love my children the same as any other father loves his children. I would rather they would lose every tooth in their heads than establish for them for the future a principle that any small group, whether they are doctors, dentists or lawyers or insurance men, shall decide that they must take medication or undergo surgery, or something of that nature, because they, that small group, decides it is better for them.

It hits at the very marrow of our free society. We have no right to support it on those two counts. One, if there is any doubt in any one's mind of its harmful effects to any portion of our community and, two, we have no right to enforce medication on people who do not want it. I certainly hope the government will never consider giving its approval of it.

MR. H. F. FISHLEIGH (Woodbine): Mr. Speaker, many years ago I went to the Ontario College of Pharmacy, and we had a subject called microscopy. Anyway, we had a microscope, and when we put a drop of rain water between two small pieces of glass and magnified it, we drew pictures of what we saw of this pure clear water.

There were stars in there, fishworms and termites — and every other kind

of thing. As a matter of fact, if hon. members could see through a microscope what this water contained, you would drink something else instead of water.

I took a small poll in my office, and of the 8 people, 4 were against fluoridation and 4 were for it. The 4 who were against it had false teeth, and the 4 who were for it did not.

MR. GROSSMAN: Would the hon. member tell us what that proves?

MR. FISHLEIGH: It proves that the hon. member is all wet.

MR. GROSSMAN: Mr. Speaker, as I pointed out, I have been called worse than that by people who have given it more study than the hon. member. It does not concern me.

MR. A. WREN (Kenora): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

THIRD READINGS

The following bills were given third readings, upon motions:

Bill No. 51, An Act to protect the Interest of the Crown in Lands Pledged for Purposes of Bail.

Bill No. 52, An Act to amend The Change of Name Act.

Bill No. 53, An Act to amend The Credit Unions Act, 1953.

Bill No. 54, An Act to amend The Deserted Wives' and Children's Maintenance Act.

Bill No. 55, An Act to amend The General Sessions Act.

Bill No. 56, An Act to amend The Judges' Orders Enforcement Act.

Bill No. 57, An Act to amend The Loan and Trust Corporations Act.

Bill No. 58, An Act to amend The Probation Act.

Bill No. 59, An Act to amend The Real Estate and Business Brokers Act.

Bill No. 60, An Act to amend The Survivorship Act.

Bill No. 61, An Act to amend The Unclaimed Articles Act.

Bill No. 74, An Act to amend The Insurance Act.

Bill No. 130, An Act to amend The Farm Products Marketing Act.

HON. MR. PORTER: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole, Mr. Stewart in the chair.

CITY OF HAMILTON

House in committee on Bill No. 27, An Act respecting the city of Hamilton.

Sections 1 to 6, inclusive, agreed to.

Schedule agreed to.

Preamble agreed to.

Bill No. 27 reported.

THE COUNTY COURTS ACT

House in committee on Bill No. 71, An Act to amend The County Courts Act.

Sections 1 to 4, inclusive, agreed to.

Preamble agreed to.

Bill No. 71 reported.

THE COUNTY JUDGES ACT

House in committee on Bill No. 72, An Act to amend The County Judges Act.

Sections 1 to 4, inclusive, agreed to.

Bill No. 72 reported.

THE EXECUTION ACT

The House in committee on Bill No. 73, An Act to amend The Execution Act.

Sections 1 to 5, inclusive, agreed to.

Bill No. 73 reported.

LAND TITLES ACT

House in committee on Bill No. 75, An Act to amend the Land Titles Act.

Sections 1 to 8 inclusive agreed to.

Bill No. 75 reported.

THE MAGISTRATES' ACT

House in committee on Bill No. 76, An Act to amend the Magistrates' Act, 1952.

Sections 1 to 3 inclusive agreed to.

Bill No. 76 reported.

MECHANICS' LIEN ACT

House in committee on Bill No. 77, An Act to amend the Mechanics' Lien Act.

Sections 1 to 3 inclusive agreed to.

Bill No. 77 reported.

THE PARENTS MAINTENANCE ACT

House in committee on Bill No. 78, An Act to amend the Parents Maintenance Act.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Chairman, on this particular bill I would like to have an explanation as to how much use is being made of this Act. How much is it being used at the present time?

HON. A. K. ROBERTS (Attorney-General): I cannot give the hon. member any figures on that at the moment, except to say it is used at times and it is felt that we are charged with the administration of it and it is advisable to have these amendments. If the hon. Leader of the Opposition would like some figures on it I will get them for him.

MR. OLIVER: Yes, I would.

Sections 1 to 4, inclusive, agreed to.

Bill No. 78 reported.

THE REGISTRY ACT

House in committee on Bill No. 79,
An Act to amend The Registry Act.
Sections 1 to 10, inclusive, agreed to.
Bill No. 79 reported.

THE DIVISION COURTS ACT

House in committee on Bill No. 91,
An Act to amend The Division Courts
Act.
Sections 1 to 9, inclusive, agreed to.
Bill No. 91 reported.

THE INTERPRETATION ACT

House in committee on Bill No. 92,
An Act to amend The Interpretation
Act.
Sections 1 to 3, inclusive, agreed to.
Bill No. 92 reported.

THE ADJUDICATURE ACT

House in committee on Bill No. 93,
An Act to amend The Adjudicature Act.
Sections 1 to 3, inclusive, agreed to.
Bill No. 93 reported.

THE PROBATION ACT

House in committee on Bill No. 94,
An Act to amend The Probation Act.

MR. OLIVER: Mr. Chairman, I may be in error on this, but I understand the committee changed the date of the coming into force of this bill to April 1, 1958, and I wonder if the hon. Attorney-General would tell the House why that change was made, the coming into effect on April 1, 1958?

MR. ROBERTS: The effect is in the explanatory note. The re-enacted section provides for payment to be made out of money provided by the Legislature rather than the consolidated revenue fund. The change applies to the fiscal year 1958 and 1959 and succeeding fiscal

years, but it is not going to interrupt the work in the interval at all.

MR. NIXON: It will be paid out of the consolidated fund in the meantime.

HON. MR. ROBERTS: Yes.

Sections 1 to 3, inclusive, agreed to.
Bill No. 94 reported.

THE CORPORATIONS INFORMATION ACT

House in committee on Bill No. 82,
An Act to amend The Corporations In-
formation Act, 1953.

Sections 1 and 2 agreed to.
Bill No. 82 reported.

THE VITAL STATISTICS ACT

House in committee on Bill No. 83,
An Act to amend The Vital Statistics
Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 83 reported.

THE CORPORATIONS ACT

House in committee on Bill No. 84,
An Act to amend The Corporations Act,
1953.

Sections 1 to 5, inclusive, agreed to.
Bill No. 84 reported.

Hon. Mr. Porter moves that the committee do now rise and report certain resolutions.

The House resumes; Mr. Speaker in the chair.

MR. STEWART: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions and moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

HON. MR. PORTER: On Monday we will deal with the estimates of The Department of Reform Institutions, or of The Department of Public Welfare.

MR. OLIVER: Why does the hon. Provincial Treasurer have to put in that "or"?

HON. MR. PORTER: I think the hon. Prime Minister announced this yesterday.

MR. D. C. MacDONALD (York South): He said completion of The Department of Public Works and then The Department of Reform Institutions.

HON. MR. PORTER: The note he has left me is "Reform Institutions" or "Welfare." Surely, the hon. members of the opposition will be prepared to go on with either one or the other. I am sure the hon. member for York South will.

Then, the finance bills, tax bills, that is, The Mining Tax Act, and we will also proceed with the budget debate and certain orders on the order paper.

I understand the resolutions of the hon. members of the opposition will likely be considered, if we reach them. That is, if the hon. members will stay late enough at the night session. There will be a night session on Monday night.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 4.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, March 25, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Monday, March 25, 1957

Notice of motion to appoint select committee on The Labour Relations Act, Mr. Frost	1487
Registration and regulation of children's boarding homes, bill to provide for, Mr. Cecile, first reading.....	1487
City of Hamilton, bill respecting, referred back to committee of whole House.....	1488
County Courts Act, bill to amend, third reading.....	1488
County Judges Act, bill to amend, third reading.....	1488
Execution Act, bill to amend, third reading.....	1488
Land Titles Act, bill to amend, third reading.....	1488
Magistrates Act, 1952, bill to amend, third reading.....	1488
Mechanics' Lien Act, bill to amend, third reading.....	1488
Parents' Maintenance Act, 1954, bill to amend, third reading.....	1488
Registry Act, bill to amend, third reading.....	1488
Corporations Information Act, 1953, bill to amend, third reading.....	1489
Vital Statistics Act, bill to amend, third reading.....	1489
Corporations Act, 1953, bill to amend, third reading.....	1489
Division Courts Act, bill to amend, third reading.....	1489
Interpretation Act, bill to amend, third reading.....	1489
Judicature Act, bill to amend, third reading.....	1489
Probation Act, bill to amend, third reading.....	1489
Estimates, Department of Reform Institutions, Mr. Foote.....	1489
Recess, 6.00 o'clock.....	1534

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

MONDAY, MARCH 25, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in relation to motions, perhaps I might give notice of this motion relative to a Labour Relations Act matter.

I propose to move, seconded by hon. Mr. Daley, not at this moment, but I am giving notice of it, that a select committee of the House be appointed to examine into and report regarding the operation and administration of The Labour Relations Act in all of its aspects, the select committee having authority to sit in the interval between sessions with full authority to call for persons, papers and things and examine witnesses under oath, and the assembly doth command and compel attendance before the said select committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations for which purpose the hon. Speaker may issue his warrant or warrants.

That second paragraph is, of course, the usual paragraph. The said committee is to consist of 11 members.

I just give that as a notice of motion.

MR. SPEAKER: Introduction of bills.

REGISTRATION AND REGULATION OF CHILDREN'S BOARDING HOMES

Hon. L. P. Cecile moves first reading of bill intituled, "An Act to provide for the Registration and Regulation of Children's Boarding Homes."

Motion agreed to; first reading of the bill.

He said: The purpose of this bill is to provide for the registration and regulation of boarding homes for children. It is designed primarily to protect the children placed by parents or guardians in private boarding home care, to insure they receive proper care and that proprietors of boarding homes maintain adequate records.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the assembly the students from Hill Park Secondary School of Hamilton, Ontario. These students are here to view the proceedings of the House and we welcome them.

HON. L. P. CECILE (Minister of Public Welfare): Before the orders of

the day, I would like to make reference to an item in last Friday's *Globe and Mail* concerning a statement of the hon. Mr. Gregg in the House of Commons last Thursday in relation to rehabilitation.

I am glad to know that the hon. federal Minister of Labour is now going to do what was originally promised under the vocational rehabilitation agreement — that is, share the costs of providing professional university training for those handicapped persons who are suitably qualified for such training and can benefit from it.

The fact was, however, that not once — but on two occasions — federal treasury officials in this province informed the director of rehabilitation services that our university cases could not be accepted under the terms of the agreement. Every necessary step was taken by our rehabilitation services branch in the processing of these cases, in accepting them for training, in reporting to Ottawa where such was required, and in submitting the accounts to the federal officials responsible.

May I emphasize that the review of our rehabilitation cases to the point of approval and acceptance for training is undertaken with great care and attention to every detail. In keeping with the terms of the agreement with Ottawa, each case is presented to a selection committee which is comprised of the director of our rehabilitation services branch, a representative from the provincial Department of Education, and a federal representative from the Unemployment Insurance Commission. When approval is given by the committee to the programme of rehabilitation for the individual case, training is commenced and the accounts are submitted to the federal authorities in the normal way.

All necessary conditions have been met in regard to all cases accepted, and this also applies to the university cases. Hon. Mr. Gregg should not be under any delusion as to the initial rejection of our accounts. We were definitely advised by his treasury officers that training in a university could not be covered under

the agreement. When it was pointed out that we clearly understood provision for such training was included, the treasury officer concerned consulted his superior and we were again advised that our account could not be approved.

I should add that, ultimately, I anticipated a refund from the federal government for their share of these expenditures, but I must express my personal misgivings over the approach taken. Rehabilitation services in this province are being administered under an Act of the Legislature. I still believe it is most unfortunate that no similar over-all Act exists at the federal level. Rehabilitation services are most necessary and worthwhile, and I believe we are making real progress in this province.

MR. SPEAKER: Orders of the day.

CITY OF HAMILTON

HON. W. K. WARRENDER: Mr. Speaker, I move that this order for third reading be discharged and that the bill be referred back to the committee of the whole House for amendment.

Motion agreed to.

THIRD READINGS

The following bills, upon motions, were read a third time:

Bill No. 71, An Act to amend The County Courts Act.

Bill No. 72, An Act to amend The County Judges Act.

Bill No. 73, An Act to amend The Execution Act.

Bill No. 75, An Act to amend The Land Titles Act.

Bill No. 76, An Act to amend The Magistrates Act, 1952.

Bill No. 77, An Act to amend The Mechanics' Lien Act.

Bill No. 78, An Act to amend The Parents' Maintenance Act, 1954.

Bill No. 79, An Act to amend The Registry Act.

Bill No. 82, An Act to amend The Corporations Information Act, 1953.

Bill No. 83, An Act to amend The Vital Statistics Act.

Bill No. 84, An Act to amend The Corporations Act, 1953.

Bill No. 91, An Act to amend The Division Courts Act.

Bill No. 92, An Act to amend The Interpretation Act.

Bill No. 93, An Act to amend The Judicature Act.

Bill No. 94, An Act to amend The Probation Act.

MR. SPEAKER: Resolved that the bills do now pass and be intituled as in the motions.

HON. MR. FROST: Mr. Speaker, might I again remind the hon. members of the House that the committee on health meets tomorrow morning at 10 o'clock, when the hospital services bill will be considered, and when hon. members of the committee that have advised the government on this will be present to discuss the matter of the Ontario proposal which is now accepted by the federal government.

I now move, Mr. Speaker, that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply; Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF REFORM INSTITUTIONS

HON. J. W. FOOTE (Minister of Reform Institutions): Mr. Chairman, in presenting my estimates to the House for approval, I would like, first of all, to draw the attention of the hon. members to our last annual report which is published in two sections, part I which deals with jails and reformatories and part II which deals with training schools.

I realize there is a great deal of information which comes into this House and which goes out from Queen's Park,

and it is difficult to read it all. Nevertheless, we have tried in these reports to bring before the House not only statistical information, but also to give a complete and interesting report on each institution.

The various department heads and the superintendents of each institution have informed us not only what they are doing, but what their basic attitude is to their respective jobs.

I know hon. members who have institutions in their own ridings have kept in close touch with them, and have been most helpful to our administration. I do wish that as many hon. members as possible will visit our institutions, even if they are not in their own ridings. I would say at this time that the hon. member for Waterloo South (Mr. Worton) has been a great source of strength to our administration in Galt. He has shown very intelligent and sympathetic understanding of the whole problem, and I have heard more than once from my own staff that they did appreciate his interest and visits.

Again, this year, I would say that our policy throughout all the institutions in the department is open house, and this applies, of course, to hon. members of the Legislature, the press, radio and television, and to any interested and responsible groups. During the last year, many people have availed themselves of this opportunity, and I believe, on the whole, a better appreciation and understanding has resulted from their visits.

I would say that, shortly before this House met, a substantial group from the official opposition visited Guelph reformatory, and I assure them that I have heard from the staff many appreciative remarks concerning their visit and their interest. They may have learned something they want to discuss today, and if that is so, I think they are in a better position to do so, because they have visited there themselves.

Before I leave the subject of our annual report, because the basic attitude of our senior staff is a matter of very

great importance, I want to read from their own statements which form an introduction to parts I and II. These officials cannot speak for themselves in the House, although sometimes they are spoken about. I feel they have not very much opportunity to present their point of view and their basic philosophies, and I think I should take the liberty of doing that for them today.

I am not, by any means, going to read all the statements which appear in these annual reports, but I do believe that hon. members would be glad to hear at least part of them. The first one is from my Deputy Minister, who has had a great many years of service in this department, who is well known both in the United States and in the old country, and who is much appreciated by those who know something about penology. He says as follows:

In presenting the report on the activities of the department one cannot overlook the fact that our first and foremost responsibility is to society as a whole and that this responsibility begins with the custody of the offender against society. The purpose of custody is not so much to punish as to solve the offender's problems, treat him for these problems, and treat him so that when he returns to society, he will be law-abiding and a useful and self-supporting citizen of his community. To this end, we must avoid extremes and follow a middle course.

I know it is a difficult thing to do sometimes; there are those who say things are white or black, but no shades of grey between, and I do not think by saying that we follow a middle course that we are following a weak course. I heard of a theologian one time, or a man who was discussing religion, who said, "Some people believe in God and some do not. I take the middle course." Well, it may be a little difficult to take that middle course. Anyhow, I go on:

To this end we must avoid extremes and follow a middle course offering in varying degrees sympathy, encouragement and understanding to some, and

to others understanding and firmness. We must continue to provide a progressive and comprehensive training programme, to take every advantage of modern science, adapt all known and proven successes in other jurisdictions where practical and to carry on research in our own and related fields.

At this juncture it must be pointed out that there are 3 types of custodial institutions within the department—closed custody, semi-open, and open institutions. During the year, there were 14,034 in custody in our semi-open and open institutions, and of that number 104, or .74 per cent., absconded. This very low percentage of escapes from open and semi-open institutions is a record of which we can be fully proud. We are convinced that a well organized, fool-proof programme of useful activities in some measure accounts for this low measure of escaping, but it also reflects the constant alertness of our custodial officers.

I submit that in that brief section which I have read, the Deputy Minister has stated unequivocally and clearly his basic attitudes towards the whole question of penology, and I do not think that any hon. member in this House could find disagreement with his views as stated.

I turn now to part II and read a part of the introduction written by the director of training schools—a man also who has been with this department for a great number of years:

A description of the programmes in operation in our training schools during the year under review is to be seen in the printed report from superintendents elsewhere in this booklet. They show that the progressive outlook of the officers in charge of our schools and superintendents consider their schools as training centres in which youngsters are placed for a period of schooling so that when returned to the community, these children will commit no further delinquent acts; with the result the community

benefits, and, most important, the child has been redirected towards good citizenship.

The report of the training schools advisory board shows satisfactory adjustment of a very considerable number on release of guardianship. This is indicative of a large measure of success. All of our training schools are experiencing sustained periods of maximum enrolment, and in order to accommodate the large number of new commitments, some reduction of length of stay in the school has been necessary, a condition which will be relieved in the near future by the construction programme now under way.

It is known that where length of stay is reduced beyond what may be considered an effective time of training, the number of relapses increase after placement. The general pattern of all training schools, in addition to the essential school subjects as outlined by The Department of Education, is rich and interesting and a challenging activity. These include a full range of sports and organized games, physical games, swimming and skating; scouts, Canadian Girls in Training, cadets, and others. The list is only a partial one, but it serves to show to some extent that training schools for delinquent children are highly organized and approach readjustment problems through the development of interest rather than punishment.

I gave that as the basic attitude of our men who are in charge of senior and junior institutions, and that is what should be considered rather than the disproportionate interest that is shown in the occasional difficulties which will arise in these schools.

In looking back on my figures I see some 23 children who have been committed to training schools have been sent to Ontario hospitals where they should have been placed in the first instance. I think this indicates the need for a better screening before we receive these children, and it goes without saying that

when children who should go to an Ontario hospital are committed to a training school, you are up against difficulties from the first, in that the school is not equipped to cope with them.

As far as our own screening procedures on admittance are concerned, I think the fact that these people have been chosen by our own psychiatrists and diagnosed and sent away is proof that we are trying to reassess each student realistically.

I had hoped that we might get through this year without any incidents which would reflect on the schools, but unfortunately we did not.

I made the announcement that we dismissed two guards, two supervisors from Bowmanville, because of administering severe and unauthorized punishment.

I see there is a question on the order paper about acts of brutality, and it might seem to most people that these acts were brutal. I think they were. However, when you know the men who work there, know something about their characters and the way that they got along with most of the boys in the schools and of the good relations that existed between them, you realize that these people who are only human beings had been needled day in and day out, and week in and week out, by these boys, and the fact is that in the end they lost their tempers and did things that they should not have done. This sort of thing is very rare, and one might think that you could get rid of that difficulty if all your staff had been trained in the school of social studies — if they had been graduates of the university. I can tell you that this would not be the cure nor the answer to the problem.

I recall 3 or 4 years ago one of the finest young men in my own community, who was a graduate of the university and who had gone into this work, at that time at a very small salary because he was interested in people, and who was one of the mildest men I had ever known, lost his temper one day and struck a boy and broke his jaw. These things are going to happen no matter

what you do because you cannot control the human element, and you cannot control some people's tempers. I think that is evident even in this House, if I may say so.

At any rate, I would say this: these views which I have read are clearly and honestly stated, and I believe, to an unprejudiced mind, acceptable.

To further clarify the basis on which this department operates, I wish to make reference to the Ontario plan, which is a blueprint stating our objectives, both for immediate and long-term planning. I may say that this plan was devised before I came into the department, and I do not take any credit, although I am very much in agreement with it:

Following the establishment of the Legislature of this department in 1946, its officials re-studied the most progressive and effective methods of reform for rehabilitation of delinquents and law breakers used in this and other present jurisdictions. Then it was decided that the Ontario plan of the department should be based on the following principles:

(1) Considerable extension of the classification of prisoners with smaller institutions, for special groups;

(2) Replacement of the common jails by modern industrial farms;

(3) Rapid expansion of the academic study programmes in reformatories and industrial farms to the effective limit;

(4) Inauguration of formal vocational training and an expansion of it to the effective limit in conjunction with the present industrial and other work;

(5) Physical training for all inmates likely to benefit by it with an up-to-date recreational programme, both physical and mental;

(6) Permanent employment of specialists to apply the best penalological and scientific method;

(7) Increased care in the selection of suitable officers and employees; formal, as well as practical training of guards and special courses for other

personnel as conditions require; selection of faculty to give a technical and formal training on a broad perspective;

I would say in connection with this school for the training of guards that the programme of training which was drawn up and used at the training school at Guelph was adopted by the United Nations First Congress on this subject, and is now published in a number of languages as a modern plan for training and indoctrination:

(8) Systematic and intensive efforts by carefully selected personnel to help rehabilitate ex-prisoners.

In relation to section 6 of the Ontario plan, I would like to make a brief reference to some of our projects which have to do with the specialized project of specific problems.

The first is one in which I know hon. members are very much interested. It is the Alex G. Brown Memorial Clinic at Mimico. There are some figures here which you might be interested in hearing. The Alexander G. Brown Memorial Clinic at Mimico was opened September 17, 1951, for the treatment of alcoholics. There is accommodation for 30 patients. Inmates in our institutions, who are considered to be alcoholics, have the opportunity of receiving treatment in this clinic provided they have the necessary motivation. Since the clinic opened in 1951, to December 31, 1956, 1,598 patients have been admitted for treatment; 1,271 have been released for one year or longer. Of these 1,271, 369 cannot be located or they are unquestionable due to death, commitment to mental hospitals or long terms of imprisonment in other institutions. The remaining 902 are classified as follows: no relapse, 154; that is a percentage of 18.2 per cent. of people who have been sober and working over a number of years. Two relapses, 75; that is another 8.3 per cent. who have had no trouble since that time. Three relapses, 109; which accounts for 12.1 per cent. The total who have been improved at least to the extent where they can take their place again in society and

have not come in conflict with the law, 348, or 38.6 per cent.

When we began our studies at Yale University to set up this clinic, I was told by people who were then specialists in the field, they doubted if we could produce, out of the class of people we were getting, 5 per cent., and I think 38.6 per cent. is a very encouraging figure.

The second project is the drug addict clinic at Mimico. On January 18, 1956, a new clinic was opened for the treatment of drug addicts at the reformatory in Mimico. This building was built from material supplied by our own institutions. The clinic was built by inmate labour under the supervision of our own trade instructors. It will accommodate 25 patients and is considered a pilot unit capable of expansion when experience shows the need of it. It is a self-contained and closed unit. Known drug addicts in our institutions throughout the province are screened by our psychiatrists and psychologists for treatment. There is a professional staff consisting of a psychiatric specialist with experience in the treatment of addicts, a consultant specialist to psychologists and one occupational therapist. During the first year of operation—to January 17, 1957—42 patients have received treatment in this clinic, but the time elapsed since their release is as yet too short to properly evaluate the results of the treatment.

I would urge hon. members, if they have time to go out and see this clinic, to go. I think it is a credit to the department and the province.

The third project I would like to speak about is the mental health clinic for women at the Mercer reformatory. In a separate building on the grounds of the Mercer reformatory, there is a mental health clinic for women prisoners, which was opened September, 1955. This is a small pilot unit with accommodation for 8 patients and is for the treatment of women suffering from alcoholism, drug addiction and neuropsychiatric diseases. Treatment is given under a psychiatrist, a consultant specialist, a psychologist and an occupational therapist. During the

first 15 months of operation, 59 patients have received treatment.

The next item is under the heading of "Specialized Institutions." The first is the neuropsychiatric centre at Guelph. It has one floor of the new hospital building there. It was opened April 1, 1955, and treats male prisoners from our reformatories and industrial farms, who are referred following medical and/or psychiatric examination. The purpose of the clinic is for the analysis and treatment of functional and organic nervous diseases and research. There is a full-time psychiatrist and psychologist who are members of the staff. Since the centre opened in April, 1955, to December, 1956, 212 patients have been admitted for treatment. In addition, 239 have been treated as out-patients while remaining at their own institutions. During the same period, 239 patients received electroencephalogram examinations. December 31, 1955, to December 31, 1956, there were 25 patients under treatment at this centre. I understand this is one of the centres which the hon. members of the opposition group visited and I read afterwards some criticism that this clinic was merely touching the fringe of the great need that existed. But I would point out that this clinic, which is adequately staffed, has never been used to its full capacity yet, and I do not see the need of enlarging it until such time as it is full or overflowing.

When I began at Guelph, we had one doctor who had spent some years working in Ontario hospitals, and to my mind he is a very good man — a practical psychiatrist. Since that time, we have added two full-time additional doctors. I would say at Guelph, with the combination of teams we have there, 3 full-time men, that no one needs to complain of neglect.

Section 8 of the Ontario plan has reference to rehabilitation. This has been extended from the care of the parolee and ticket-of-leave group to a service available for all discharged prisoners. That is, for those whom we have no legal responsibility either as ticket-of-leave, or parolees. Our rehabilitation

branches employ 22 full-time men from our own staff. This is in addition to the facilities supplied by the Salvation Army, the John Howard Society and the Elizabeth Fry Society. I would say that of our own rehabilitation branch, of our 22 men, that they would be very difficult indeed to recruit or replace. They are men who have been brought up through our own institutions, mostly, and have been chosen because of the success that they have had in dealing with people.

At this time, I would like to say to the branch that is there—not to single it out from all others—that I do appreciate the work they have been doing. The same I might say for the Salvation Army, its contribution to the cause of rehabilitation is absolutely unique and irreplaceable. I would say in the way of government grants that you could not get better value for the money that we spend, than the Salvation Army. I see the hon. member who was formerly the Minister of the Department nodding his head, and I know he would agree with that.

I think I should say at this time, with regard to one of these societies who has criticized the new institution at Galt, I read a letter from the president which I placed on the record, and which says it is an apology and blames the press for unwelcome and inaccurate reporting. I might say I have another letter today which rather takes the edge off the first one and it says that the first one is not meant to be an apology in the sense that I had accepted it, so I apologize to the president of the Elizabeth Fry Society for accepting her apology as an apology and for believing in my own innocence that she meant what she said. I assure you that is a mistake I will never repeat again.

The chief point of dispute is this: as to who gets the credit for attacking the department, whether it is the Women's Joint Committee of Penal Reforms or the Elizabeth Fry Society and I say to both of them if I am to be decapitated, it is a matter of very little moment to me who does it, they are very welcome to

share in the glory jointly, and severally or separately whichever they may wish.

In speaking of the parole board in the branch of rehabilitation, I would say that no action has yet been taken in appointing a permanent chairman of the parole board, as the Fauteaux report which is at present under consideration has recommended the abolition of provincial parole boards in favour of a central federal board. It does not look to me as though anything were going to be done by the Fauteaux report by the present Parliament as their life seems to be nearly at an end. Whether it is to be revived or not, I do not know, but I hope whatever government replaces it, will be sympathetic to the recommendations of that board.

Our special projects which combine rehabilitation of men and conservation of natural resources has already been dealt with most appreciatively by the hon. member for Simcoe (Mr. Letherby). I have here a very impressive list of other projects and with your permission, I will file it, rather than read it because I am sure some of the projects are in areas which are not familiar to all hon. members.

I assure you that branch has been very successful both from the point of view of peace and rehabilitation among the inmates and for the good work it is doing in the various areas.

Perhaps a substantial proof of the many ways in which the Ontario plan is being implemented is the size of the budget I am presenting today. My first budget in 1951 was for \$6,911,000, that is exclusive of a rather extensive programme for capital expenditure. Today, instead of it being for \$6 million-odd, it is \$12,041,000. Part of this increase is tied in with a general upward swing of prices for everything we use; part of it is for new institutions and the increase of professional staff and consultants—a very major item is for that.

In 7 years, the basic starting salary for guards and supervisors has been increased by \$1,000 per year.

In looking over the turnover of staff, I am glad to say that this seems to have

been gradually decreasing and is to some extent arrested, and I think the increased salaries have something to do with it. The government has now authorized me to proceed with the establishment of a 5-day, 40-hour week, and this is going to cost a substantial amount which will be reflected in future budgets. I would say for the benefit of the staff that the question of salaries is constantly under review and if the past experience is any criterion, we may expect that to increase also.

In attempting to evaluate the work of the department, I think it is honest and conservative to say that we have made some progress. I have a good many letters in my file from people who have visited our institutions from other parts of the world, and they seem to be more complimentary about them than some of the people who live here in Ontario. Many of these people have told me they wish they could get the budget and support we have had for the development of our institutions.

There are people who seem to pin their hopes on one solution and some on another; on the use of psychiatry and its allied sciences. I think it has been helpful in assisting the inmates to understand their problems, and assisting the staff to understand and assist them. However, I do not expect it to do miracles. I am not making any severe criticism of it whatever. I have my appreciation in my remarks so far in regard to that, and to what they are doing. I sometimes think we are expecting too much from this science. I recall the statement of Dr. Stokes who is head of the department of the University of Toronto, and head of the Toronto Psychiatric Hospital, who is quoted as saying:

I sometimes tell my students that psychiatry today stands just where general medicine stood in 1870.

In the mind of many, penology should stand today where it stood in 1870; and I can take the hon. members back 100 years and quote from an article which appeared in the *Field* magazine in England, dated November 22, 1856, and I

think that I could find much the same sort of statement if I dug back in the files of our own papers here—for example, in the works of that very gifted and forthright and interesting columnist, Frank Tumpane. Let me read part of this quotation which appeared 100 years ago in England. It is headed, "Wave of Crime":

It is a striking comment upon our civilization that every week brings its tale of remarkable crimes. Scarcely a day now passes without the disclosure of some extraordinary atrocity; no mere highway robbery or burglary after the old-fashioned style, but some deeply-planned, craftily-conducted and skilfully-executed piece of villainy.

And in conclusion he says, with vicious irony:

For this pleasant circumstance we are indebted to our good friends the philanthropists, the supporter of the ticket-of-leave men, the unconscious and well-meaning aiders and abettors of the most diabolical crimes.

I do not agree with that, and there is nothing in that quotation, 100 years ago, which is not being said every day in this province. I would say what I have said before, that no institution can reform any person who does not want to change his way of life. It can, and it does, assist him by counselling, by training him academically and vocationally, by extending a rehabilitation programme when he goes out into society, but the ex-prisoner has his own great battle to fight and that is one that he has to fight for himself, and that is the one that goes on in his own mind and spirit. It is his decision, carried out with the help of God, which can redeem him.

In connection with this I would like to quote from an a report which appeared some time ago when Magistrate Watt retired from the bench after a career of 44 years.

There are many amateurs in this field and those who have flitted in and out of institutions, who have never accepted any of the responsibility, who would

abolish all discipline, and ignore the fact that we are trying to teach people respect for authority. When I want to learn something about a subject — if it is medical I go to the medical people and their allied branches; if it is penological, I go to the people who do the work, who not only have experience here but who have visited institutions all over the world.

It may interest hon. members to know that one of our own men, the head of the branch of psychology, visits Yale every year to give lectures on his subject. I pay some attention to people who have had years and years of conscientious service coupled with a real study of this whole programme, because they have become familiar with everything that has been done throughout the civilized world.

I may say, too, that when it comes to it, those people of great experience are not slow to admit their failures.

This is the part that I would like to quote from the report of Magistrate Watt:

No system ever devised, or to be devised, will reform a person if he does not want to reform, the magistrate said today, as he stepped down from the bench for the last time. I must say that I am thoroughly tired of reading that the penal system does not reform a man. Of course not. Even Almighty God cannot reform a man against his will. Humanity has been given the freedom to choose between good and evil. If a person chooses evil nothing can be done for him. If a man wants to reform, the authorities will do all in their power to help him rehabilitate himself.

I pay considerable attention to those remarks of a man whose good judgment and sense I have admired over a period of years. I think if you read some of my former speeches — which I am sure you will not — in this assembly you will realize that I have said the same thing myself, and I speak from the point of view of a clergyman. I say that theology stands today as it did in 1870,

and it is not a very bad thing; because there are certain eternal varieties laid down that never change and never can be changed. I think you will find a condensed version of what Magistrate Watt had to say in *Hansard* of this year if you will look through the speech given by the hon. member for Brant (Mr. Nixon).

Perhaps it is too much to expect, but I do hope that when my estimates are being debated that the debate can be carried on reasonably, logically and without bitter extremes of opinion. Anything which is said here which breaks down discipline in an institution will only lead to trouble which, in turn, will cause the pendulum to swing to the extreme which rules out progress in penology.

Do not forget this, that all the papers go into our institutions, and they are not withdrawn no matter what is said in them; and when we have to hand out papers to inmates, which ridicule their guards and superintendents and the basis of our work, then you are looking for trouble, and you are going to get it. You just make the situation that much more difficult for those who have the responsibility — hon. members have not got it — and I do not think that any advancement that any hon. member might hope to gain by posing as a great champion of these people is worth anything if it appeals only to the worst side of them. That is why I say that the thing should be done reasonably and logically.

I would say, too, that any unjust or distorted criticism of my staff will weaken their authority and their ability to assist the inmates; and will make it exceedingly difficult for me to recruit and hold staff. I say that after last year's donnybrook here, it was a very difficult thing for me to retain the services of some people whom I could not do without and whom I could not replace — nor could any hon. member in this House — and I have been greatly distressed about that. These people have given their lives to this work, and do not do it for money. They are not

going to stay with a department where they are held up to ridicule and are bitterly and unfairly attacked.

In conclusion, let me say that I have the utmost confidence in my staff, and I assure them of my appreciation for their good work and co-operation during the years that we have worked together; and I also assure them, that as long as I am with this department I will take their considered opinions and advice away above that of critics who come in and attempt lightly to evaluate the situation, because no matter how sincere they may be — and I am not speaking about hon. members of this House in case anybody is getting touchy about this, I am speaking of people outside, who are well-meaning and well-intentioned — but when I have a decision to make I will make it on the basis of the advice I get from own staff.

MR. D. C. MacDONALD (York South): Mr. Chairman, I hope I can live up to the specifications that the hon. Minister has laid down for debate in this House — that it should be reasoned and factual.

Last year, because of the lively concern and public debate which seems to occur every two or three years regarding policies of The Department of Reform Institutions, I would be the first one to say that reform issue bulked far out of their rightful proportion of consideration in this House.

The whole discussion got out of perspective, but it got out of perspective for obvious reasons. I have, as a result of last year's experience intentionally left this matter until the consideration of the estimates, in the hope that we could get it back into a more appropriate perspective. I want to assure you, Mr. Chairman, that in doing so it is not because of any less concern for the policies which are basically unchanged, nor any feeling that the situation is not really as serious now as it was a year ago when there was lively public concern, reflected in screaming headlines in the paper.

I might say to the hon. Minister when he says there were difficulties get-

ting staff because of the donnybrook last year, it is just possible that the difficulties did not arise from the donnybrook, but really from sharp differences of opinion between people who are interested in this field and those who happen to be guiding the destinies of this department, not the donnybrook, but those sharp differences of opinion are the basic reasons as to why the hon. Minister is having difficulty hiring staff. I want to come back to that in a few moments.

Before I go any further, last year when I discussed this issue on a number of occasions, I was taunted — and I do not think that is too strong a word — by the hon. Minister and the hon. Prime Minister, that it was time I got out and visited a few of these institutions. The taunt was made on the basis that if one visited these institutions, presumably one would know all about them.

I would like to inform the hon. Prime Minister (Mr. Frost) that I have attempted during the past year to fulfil his instructions. During the past 12 or 15 months I have visited Mercer reformatory and the Don jail; I have visited Guelph on at least two occasions, and on the second occasion I sat in for a couple of hours or so on the meeting of the classification committee, which is a very interesting and important phase of the work. I visited Brampton, the boys' training school at Bowmanville and the girls' training school at Galt, and of the latter I have a little more to say later.

I have been able to visit the industrial farm at the head of the lakes, and the industrial farm in eastern Ontario in the Rideau Lake area. I spent an afternoon at the alcoholic and drug clinic, and just to try to keep the picture complete, one day last summer I spent the morning in Kingston penitentiary and the afternoon at Collins Bay.

I might just add, after having recounted that, that I am still convinced of what I said when the challenge was thrown out to me last year, that all this is very interesting, but it is not necessarily as fruitful as the hon. Prime Minister indicated at the time. As was pointed

out by the ex-supervisors who have now left the staff at Bowmanville — and on this I would agree with them — when visitors go to these institutions they see for the most part what the authorities in the institution want them to see. In addition to that—and this is even more important—it is extremely difficult in a casual visit to see a part of the programme which is really most important; namely the treatment programme and its effectiveness. That is almost impossible to assess in a casual visit.

Having said that I visited all these places, and that I am not certain that such visits are valuable in terms of getting a real knowledge of the institution, nevertheless I assure the hon. Prime Minister I found it extremely interesting.

My overall reaction to The Department of Reform Institutions, which I would like to state at the outset, is that there is so much that is good, or potentially good in this department, that it is a tragedy that the overall framework within which these experiments are being made was not such that this good could reach its full potential.

I wish the situation were such with regard to our reform institutions that we could spend most of our time here today discussing these experiments and new developments to see how we might realize more fully their potential. But I am not going to do that, even at the risk of throwing this picture into what the hon. Minister would term blacks and whites and getting it out of balance again, because in doing that I would be missing the essential point. The essential point is that there is still an overall framework which is basically out of date. In spite of the fine words which the hon. Minister has quoted once again this afternoon, the actions and the programme insofar as they touch the great majority of the inmates in our institutions simply do not live up to those fine words.

The basic motivation of those whose influence is greatest in our Department of Reform Institutions today — and I mean greatest in terms of its day to day operation — is not only confused in terms

of its purpose, even worse it is sadly out of date; too much of the thinking is still 19th century.

I was interested in the editorial in the *Globe and Mail* which the hon. Minister took exception to last Friday. It went so far as to describe the thinking of The Department of Reform Institutions as being medieval. I do not know that I ever went that far back. I am content to say that it is 19th century, and I think that itself is a sad enough indictment of some of the basic thinking.

There is a preoccupation in The Department of Reform Institutions; a preoccupation to the point of obsession in the department's expansion with a more effective custodial programme. Proof of it is that the pride and joy of this department at the moment is to be found in these two new institutions, these two new bastilles, that they have constructed — the one at Millbrook, which after 4 or 5 years is not yet opened; and the institution at Galt which the hon. Minister has defended once or twice already.

There is an old cliché in reform institution programmes that the punishment shall fit the crime. Well, that is the old cliché. The Fauteux report points out that in keeping with the modern approach, reform institution programmes should be revised so that the punishment should fit the offender.

My big complaint at the present time is that in terms of numbers, chiefly, we have a hopelessly inadequate professional staff. We are therefore unable to find what punishment, or, even more important, what treatment should be meted out to each of these offenders so that we can fit that treatment to them and their particular needs. One of the tragedies, in even that group of professional people we have in our department at the present time, is that they are so small in number that their time is spent in what might be called the establishment of case records, which are then filed away.

They may be referred to periodically, but they certainly do not become what they should, namely, a work sheet or

guide in the day to day treatment of the prisoner; a guide that other professional personnel at different levels, including, for example, social workers, can implement. If we had this further professional staff, the clinical assessment of the top professional people could be carried through in a real treatment programme. In the overwhelming majority of the institutions in our province this simply is not the case.

The result is, I am convinced, that the criticisms that were expressed by an extremely responsible, professional body last year with regard to the reform institutions still stands, particularly our training schools. I want to quote just two sentences from that criticism last year, contained in a letter that became such a storm centre, from the Toronto branch of the Canadian Association of Social Workers. Addressed to the hon. Prime Minister, the letter read:

From the events of the past year it is clear that there is a strong conflict within the department, between the punitive and the reformative philosophies and practices —

and then they add:

Ontario has had enough of the punitive militarism applied against offenders, which has clearly failed. It is high time to provide intelligent, humane and responsible services for the offenders.

The hon. Minister may dismiss this as being too black, as being irresponsible, and increasing the difficulties of his department and its staff and superintendents. But that is a statement of a responsible group of people who are intensely interested in this field, because many of their members are active in this field.

I for one am convinced that nothing has changed, essentially, to alter the validity of that criticism made one year ago.

I would now like to consider one or two phases of departmental practice to document what I think is continued evidence of the sort of punitive philos-

ophy which is the dominant philosophy of our reform institutions today. The hon. Minister has referred to the instances of brutality at the Bowmanville training school. I give him full credit and I do say that once he discovered it, he took action, and the supervisors were fired.

But there are one or two interesting points with regard to this incident which I must confess intrigue me. I visited the institution on the previous Saturday and I find myself intrigued as to whether or not it is a mere coincidence, that some 3 days later, the announcement should be made to the press that these supervisors had been fired, with the claim that action had been taken as soon as it had been brought to the attention of the hon. Minister. Is it just possible that a visit from an outsider who was in a position to bring this matter before the House had provoked the firing? How long before had this instance of brutality—

HON. MR. FOOTE: May I make a statement? The hon. member has asked a question.

MR. MacDONALD: This brutality was simply a matter of breaking a boy's jaw.

HON. MR. FOOTE: I will tell the hon. member how long it was before the man was fired after I learned about it; it was about two minutes.

MR. MacDONALD: I am not questioning for one moment that the hon. Minister did not act as quickly as he says he did when he found out about it. But I have had reasons on many earlier occasions to wonder whether instances like that go on without the hon. Minister learning about it at all. Is it just possible the hon. Minister learned about this on Monday or Tuesday, following the visit which had been made on the Saturday?

There was another point which interested me about the announcement made by the hon. Minister. That was that the superintendent had been on leave of absence and was now transferred to

other work. You will forgive me for being intrigued, because when I visited the institution on the Saturday in question, the superintendent was on deck within 10 minutes after I arrived, and it was he who conducted me through the institution.

HON. MR. FOOTE: He had been ill for about 3 months in hospital and had just returned.

MR. MacDONALD: Perhaps that is the explanation. But more important than that incident of unauthorized brutality is the continuing legal brutality which is still prevalent in our institutions. I am referring to what is more generally known as corporal punishment; an issue we discussed at some length last year. I want to raise this matter for a variety of reasons, the most important of which being, of course, the substance of the issue itself.

Also, because during the past year, I have had a most interesting cat and mouse game with the government across the way, in trying to obtain information which I suggest, Mr. Chairman, is the legitimate right of any hon. member of this House to have.

Last year, I put a question on the order paper asking the number of recorded instances in our institutions of the use of corporal punishment in the years 1952 to 1955 and a breakdown of these figures for the various institutions.

That question was put on the order paper some 4 weeks before the end of the session and as the session drew to a close, the hon. Prime Minister assured all hon. members on this side of the House that for those questions which had not been answered, the information would be forthcoming and we could get it later. I accepted that.

About the middle of April, which you will recall, was about two weeks after the session ended, I got in touch with the Deputy Minister of The Department of Reform Institutions and asked him about the answer to this question. I was assured by him that it had been prepared, but he had no knowledge as

to what exactly had happened to it. So far, so good.

I then got in touch with the hon. Minister and asked him whether it was possible to obtain this information and I was told that its release did not rest with him, but rested with the hon. Prime Minister. So far, so good.

I then got in touch with the hon. Prime Minister, who expressed surprise that I had not received this information and said he would look into it immediately.

Some weeks went by and this Conservative definition of "immediately" was becoming so elastic that I called Donald Collins, with whom I had had contact during the toll roads committee meetings, and who is one of the staff men in the hon. Prime Minister's office, and I asked him if perchance the reply was lying in a basket and might be sent through to me.

I will say to the credit of Donald Collins, I had a letter within hours from the hon. Minister's office giving me part of that reply, namely, the overall record of the instances of corporal punishment in our institutions, but there was no breakdown of the figures.

This is a very interesting serial story given in instalments.

About the middle of June, I got in touch with the department and asked if I could have the second half of the reply to my question: namely, the breakdown of corporal punishment for the various institutions. I got in touch with the Deputy Minister, because the hon. Minister at that time, you will recall, was overseas. I received a reply from the Deputy Minister, and I will read one sentence from it:

I am to inform you that this matter is now being dealt with by the office of the Prime Minister, and I am, therefore, unable to give you any further information.

So the buck was passed back to the office of the hon. Prime Minister. I wrote to the office of the hon. Prime Minister and detailed all that had hap-

pened and mentioned that the Deputy Minister of The Department of Reform Institutions had indicated it was to his office I should turn if I wanted this information, and I got this reply:

Dear Mr. MacDonald:

I have for acknowledgment your letter. As you state, Major Foote is in the old country at the present time and this is a matter which should be dealt with by him.

Poor innocent member that I was, merely trying to find out how to get information from this government.

I may say that Major Foote's department is not being administered from my office. The hon. Mr. Dunbar is the Acting Minister.

Note the snide overtone, implying "why don't you catch on to how this government is being run?" Then this paragraph:

I am sure that you will understand that the government always tries to answer questions which members ask. I point out, however, that answers are not obligatory and there is the matter of public interest to consider. I suggest you take this up with Major Foote on his return.

Sincerely yours

Interestingly enough, typed at the bottom of the letter is "Leslie M. Frost," but I say to the credit of the hon. Prime Minister, there was no signature of his. This, undoubtedly, had been done by—

HON. MR. FROST: Send it over and I will sign it.

MR. MacDONALD: This had been prepared by one of the gentlemen on the staff of the hon. Prime Minister, and, inadvertently, it had gone out, because I have too much respect for the hon. Prime Minister's political acumen to believe that this letter would ever have left his office if he had seen it.

So I had no alternative but wait for the hon. Minister of Reform Institutions to return from overseas to get an answer to my question, but a letter in

September gave a final refusal. I had to content myself with an answer to the first half of the question.

HON. MR. DUNBAR: I wish the hon. member had referred that to me, he would have received an answer, and a good one.

MR. MacDONALD: During the years 1952 to 1955 inclusive, in Ontario reform institutions, the total number of instances in which corporal punishment was used was 651.

Mr. Chairman, I do not know whether any of the hon. members of this House realize just what a shocking proposition that figure is. That figure represents the worst record in the civilized world of reform institutions.

MR. MALONEY: Oh!

MR. MacDONALD: It does; do not groan about it. In fact, if you want to see how it does—

HON. MR. FOOTE: Of what period are you speaking?

MR. MacDONALD: 1952 to 1955.

HON. MR. FOOTE: A 4-year period.

MR. MacDONALD: Now, let me get this into perspective then —

HON. MR. FOOTE: During which you had a riot.

HON. MR. FROST: Why do you not read the table, this puts it almost into perspective. I am sure the hon. member for York South does not want to distort but I think he should read this table. I would be very glad to read it.

MR. MacDONALD: If the hon. Prime Minister wants to read the table then let him go ahead.

HON. MR. FROST: In 1952 there was in adult institutions 11,400 people: there were cases of corporal punishment in 1952 of 196. In training schools there were 1,110, and instances of corporal punishment on the part of 18. In 1953, in adult institutions there were

12,337, with 120 cases of corporal punishment. In 1954 there were 12,933 in adult institutions and cases of corporal punishment, 90. In 1955 there were 13,696 in adult institutions with 124 cases of corporal punishment. I think in view of all the difficulties that it is quite a modest record.

MR. MacDONALD: Now that the hon. Prime Minister has endorsed all this and thinks it is commendable, let me pause for a moment and look at what he endorses in the light of practices elsewhere. Back in 1930 when Great Britain was considering the reform of penal programmes, they appointed a committee known as the Cadogan committee, set up under the home office. This committee did a thorough investigation of the use of corporal punishment all across the world, and the wisdom of its use in such institutions. This is what they found in the 1930's:

They discovered at that time the following countries had abolished corporal punishment completely: Austria as far back as 1867, the year that Canada went into confederation; Belgium; Czechoslovakia; Denmark, as far back as 1911; Germany, even during the Nazi regime did not actually put it back on the books although it was a meaningless kind of proposition; Holland; Hungary; Italy; Norway; Portugal; Switzerland; Finland; Sweden; and so on. England and Wales, as a result of this kind of investigation, abolished it in 1948.

To put our picture in perspective—this item that the hon. Prime Minister rises and endorses, and finds to be a matter of pride rather than shame—in the entire Commonwealth there were only 3 countries which used corporal punishment. It was discovered by the Cadogan commission in the years 1932 to 1936, which their survey covered, in those 4 years England and Wales used it 30 times; Southern Rhodesia used it 195 times, 194 of those against blacks.

MR. STEWART: How many off the record that they did not report?

MR. MacDONALD: Canada, 1,086 times for 4 years back in the 1930's. Mr.

Joseph McCulley testified before the select committee that in 1952 corporal punishment had been used only 4 times in the year 1952 in our Canadian penitentiaries, yet in reform institutions including training schools for juveniles this is the kind of record we have 20 years later.

HON. MR. FOOTE: During the period you have spoken of it was not used once.

MR. MacDONALD: I quoted last year the famous directive from the Deputy Minister, I think he indicated it could be used.

HON. MR. FOOTE: Yes, it was found necessary to restore it.

MR. STEWART: The hon. member's old leader endorsed it, too.

MR. MacDONALD: In the 1930's Canada had a record which was one of the blackest in the civilized world. That is not my conclusion, it is the record, the facts.

MR. WHICHER: Are you against corporal punishment?

MR. MacDONALD: Yes, and most of the civilized countries of the civilized world have banished it, and today, 20 years later, we find The Department of Reform Institutions of the province of Ontario has a record in an equal period of 4 years comparable to the period that was surveyed in the 1930's of 651. In other words, the one province of Ontario has 651, which—if you take it on a proportionate basis since we represent one-third of the Canadian people—represent almost 2,000, almost twice as bad as in the 1930's. If the hon. Prime Minister is proud of this kind of thing, all I can say is that I do not share his pride.

HON. MR. FROST: The hon. member for York South rolls 4 years together, as a matter of fact that record is really divisible by four, the 600 or approximately that number that he mentions involves 50,000 inmates.

MR. MacDONALD: That is irrelevant, 30 cases over 4 years in Britain

represents 7 and a half a year, for a population 3 times the whole of Canada.

MR. MACAULAY: That is a different kind of institution.

MR. MacDONALD: Mr. Chairman, why did I not get the breakdown for the figures in each institution? I will tell you the reason why, because this government in spite of what it claims today knows that the record would not stand the light of day; that it is utterly shameful, particularly in regard to one or two of our institutions, where the shameful record represents the worst abuse of corporal punishment to have taken place anywhere in the civilized world this side of the iron curtain. If the hon. Prime Minister does not think that is the case, let him reveal the figures here.

HON. MR. FROST: If the hon. member for York South presents that letter I am quite willing to sign it. I did dictate that letter and if I did not send it, it was an oversight.

There is such a thing as public interest and I point that out to the hon. member, as a matter of fact, I think, and I thought at the time, that he had all the information in that reply that was really relevant to the matter that he wants to discuss. What is to be gained by segregating these places? He did enough damage to the staff last year of the reform institutions without doing a lot more damage, and it seemed to me that was unfortunate and against public interest to take and segregate these particulars, and the heads of these institutions, I would not say were held up to ridicule because I think that the great majority of the people of Ontario feel and are sure that these institutions are very well run, but I do not think it was necessary to hold them up to question on matters of that sort. I cannot see where any good purpose was served by making any breakdown.

MR. MacDONALD: The hon. Prime Minister may interpret it that way if he wants to, but my interpretation is that the government is ashamed, it knows this will not stand the light of day and it is

one of the most factual interpretations that—

MR. MALONEY: No reasonable person listens to what the hon. member for York South says.

MR. MacDONALD: Mr. Chairman, let me get on, now, to the consideration of another institution, namely Galt.

The hon. Minister made a statement—

MR. DAVIES: May I ask the hon. member a question? I am very interested in the statements made, but I find there is no alternative suggested by the hon. member. I am wondering whether he can suggest what should be done?

MR. MacDONALD: I would suggest to the hon. member for Windsor-Walkerville that he make a study of penal policy and he will find out.

MR. DAVIES: The hon. member is making a speech. I am asking a question.

MR. MacDONALD: Exactly; and I would suggest the development of a treatment programme which gets down to the basic causes of the misconduct of the individual instead of just simply trying to implement a punitive penal policy.

I have already indicated that with the full use of our provincial services the numbers are great enough actually to carry out a treatment programme instead of paying lip service to it.

HON. MR. DUNBAR: Would the hon. member prefer to have them in solitary confinement for a week or 10 days or two weeks?

MR. MacDONALD: If the hon. Provincial Secretary will sit down he will find out what I think about solitary confinement.

HON. MR. DUNBAR: That is what they are getting in the countries you are talking about, and that is what they are getting in Kingston—solitary confinement in dungeons.

MR. MacDONALD: Mr. Chairman, I would like to refer to this new building that the hon. Minister finds himself in

the hot seat over. I hope it does not drive him to the point of decapitation by any one of the organizations involved. In spite of my differences of opinion with the hon. Minister I find myself becoming rather fond of him. I wish he were not in such a tough spot. Officially this new institution at Galt is one that deals with the incorrigible of incorrigibles—the most delinquent among delinquents. I have visited it.

Last Friday the hon. Minister rose in the House and, in effect, said that he was not backing down in the face of criticism that has been made by the joint committee of penal reform for women. He read a letter, and, I must say, I was absolutely amazed at the interpretation he placed on that letter. The Elizabeth Fry Society, the hon. Minister suggested, was not going along with the joint committee in that basic criticism.

The Elizabeth Fry Society could not have retained either their reputation or their integrity, if it had backed out of this, because of the fact that the Elizabeth Fry Society, as the hon. Minister knows, is a member of the joint committee, and, even more important, because I am convinced that the Elizabeth Fry Society agrees with the basic criticisms that were made. The hon. Minister has received another letter in which that has been set right, and in case any hon. member of the House should have the lingering idea what the Elizabeth Fry Society believes, the second paragraph of the second letter reads as follows:

First, we wish to make it quite clear that, as people vitally concerned in the welfare of offenders, we have been shocked by the reports which have been received on the new school at Galt. We know that the description of the school as given to the press by the penal reform for women joint committee is accurate; furthermore, as one of the members of the joint committee on penal reform for women the Elizabeth Fry Society is prepared to stand by the committee's actions.

We have that absolutely clear. Let

us take a look at this institution. I have talked with people not only in the Elizabeth Fry Society but in the joint committee and many others—the hon. Minister has no idea how many people have visited this institution in the last 6 weeks—

HON. MR. FOOTE: Oh, yes, I have.

MR. MacDONALD: The hon. Minister may think he has some idea, but I suggest that he has got to double the number—

AN HON. MEMBER: The hon. member for York South was up there a week ago Saturday.

MR. MacDONALD: Yes.

HON. MR. DUNBAR: These are "stool pigeons" that the hon. member has put up there.

MR. MacDONALD: Mr. Chairman, these are people who are generally interested in this problem, and if hon. members of the government front bench intend to malign people and dismiss them as sort of sentimental busybodies—

HON. MR. DUNBAR: I did not know that the hon. member kept company with that class of people.

MR. MacDONALD: The hon. Provincial Secretary says that people have gone up there and been "stool pigeons." Let us keep this on a reasoned basis along the lines suggested by the hon. Minister of Reform Institutions.

I have never in my life had contact with a group of people with a greater sense of indignation and anger about what is happening up there. I have not met one who has said that he was not absolutely appalled—

MR. STEWART: The hon. member will meet them, too.

MR. MacDONALD: So much so that a week ago Saturday I drove up and visited the institution for myself; and I want to say, Mr. Chairman, that this new institution at Galt cannot be

described as anything but a juvenile bastille. In terms of the year 1957 it is a penal monstrosity.

What have we got today? Sure, you have a building made with 20th-century materials; and the hon. Minister has agreed to discuss changes with the penal reform committee, but you cannot change the basic character of the place at this late date. You have an institution at Galt today which is not one whit removed in its general approach and spirit from the institutions that were built down at Kingston back in the last century.

MR. STEWART: For what type of inmate?

MR. MacDONALD: The hon. member for Parkdale should know something about these problems because he headed a select committee on this matter. He asked: "For which type of inmate?" I will tell him. It is for juveniles who may be as low as 10 years of age. That is the type of inmate you are going to get.

MR. STEWART: For inmates whose families could not do anything with them.

MR. MacDONALD: What are you going to do with them? You are going to turn them into incorrigibles so that they will have to be kept there the rest of their lives.

The central core of this institution is made up of two rows of 8 cells, back to back, on each of the second and third floors.

MR. MALONEY: The bedrooms.

MR. MacDONALD: The bedrooms? What are the so-called bedrooms, as the plan describes them?

MR. WARDROPE: Better than the one the hon. member had!

MR. MacDONALD: Mr. Chairman, I do not know whether there are any more moronic remarks that we must be bothered with before proceeding.

There are cells of about 7 feet by 9 feet—less than 9 feet, as a matter of

fact, as the hon. Minister indicated—with a door that has a 6 x 6 peephole in it; so that there is going to be no natural lighting of any sort at all. The lights will be turned off from the outside. Inside there will be a cot of the type that is slung by two chains from the wall. There will be an open toilet and a metal mirror.

Any of the hon. members who have visited Kingston penitentiary will know that those so-called bedrooms are the cells in which inmates are put, in the Kingston penitentiary, in a building that was built back in the 19th century. Not only is this new building merely a collective detention area, but, to add insult to injury, there are a couple of separation cells or detention cells.

I would invite hon. members, if they want to see something appalling, to go and take a look at them. I would ask the hon. member for Waterloo South to bear in mind, too, that this could be for children of as low as 10 years of age.

MR. STEWART: What would the hon. member do instead of that?

MR. MacDONALD: The windows in this section, in the room outside these so-called bedrooms, are going to be frosted up beyond my height. They are frosted up to at least 6 feet 6 inches on the glass, and I am told by some persons who have investigated that when they spoke to the architects of this building and asked them why the windows were frosted, the reply was that they wanted to obscure the view. In other words, they are going to take children of 10, 16, 17 or 18, whom presumably we are trying to help to regain their position in society, and are going to lock them up in this 19th century bastille, with no outlook on the world, no light—

HON. L. M. FROST (Prime Minister): May I point out to the hon. member that, as I understand it, the place is for 32 children. They are in the incorrigible class. This is a place for incorrigibles. The hon. member objects to corporal punishment, and there may be good grounds for objection, certainly, perhaps, to too much

corporal punishment, but I would point out that this is an alternative and a very reasonable alternative to that.

MR. MacDONALD: Does the hon. Prime Minister really mean that?

HON. MR. FROST: Yes, I do.

MR. MacDONALD: I am glad to have that on the record.

HON. MR. FROST: I would say to the hon. member that we are dealing in these cases with young people who are the most difficult.

In terms perhaps of children going to school, they might be referred to as children who are bad children. These children are incorrigibles, and they come down to The Department of Reform Institutions as a last resort. Everybody tries to do something for these children before they are admitted there, and ultimately there are some 32 out of 5.5 million—incorrigible children who are not mental cases, in the ordinary sense, but they come down to that point. The hon. member said he does not want corporal punishment. How would he handle these cases?

MR. MacDONALD: By instituting a modern treatment programme of which this department cannot conceive.

HON. MR. FROST: I would say there are hundreds of children, girls and boys, in various institutions in this province who are not incorrigibles. This is a place where incorrigible children can go and perhaps be persuaded to mend their ways in surroundings which are pretty good; but they are calculated to meet the problems of these incorrigible children who will do anything. I think it is a good thing myself.

MR. MacDONALD: The hon. Prime Minister thinks it is a good thing?

HON. MR. FROST: Yes.

MR. MacDONALD: I am glad to have that on the record. Perhaps this is the place where we should remind the hon. Prime Minister and the hon. Minister, while undoubtedly it is generally

true that most of the children who are put into the Galt institute are **problem** children who have been buffeted through endless foster homes—tragic creatures of broken homes—I would remind the hon. Prime Minister we had in this last year just one case, which we should take a look at, and that is the case of—

MR. S. L. HALL (Halton): I happen to be a member of these homes, for these children, and I do not like the remark of the hon. member. We are doing our best to handle those children and making a good job of it, too.

MR. MacDONALD: I just want to remind the hon. members of the House of one case last year which should be looked into, the case of Shirley Uzelac of St. Catharines. On the dying day of this session last spring, this girl was brought before juvenile court because a charge was laid against her by her aunt who had brought her out from Yugoslavia and apparently had tired of keeping her, and so she laid a charge against the girl as being a delinquent.

She was brought before a court, and without getting any evidence at all on the child's behalf—and this is the court's fault, I am not saying it is the department's fault—that girl was committed to Galt. Here was the amazing feature of this: when the principal of the school where the girl was attending, along with the Home and School Association and parents for whom the girl had been "baby-sitting," heard about this, they were enraged. They pooled money to retain a lawyer to try to get this gross miscarriage of justice corrected. They came down and got nowhere in the first instance with the department.

When they went to see the superintendent at Galt, the superintendent said the girl was an incorrigible, and she could not get out within one year, in spite of the fact that the principal of the school was willing to take the girl into his own home. It was only after this had gone for another week and the hon. Minister realized that he had a situation that was just going to

blow the lid off things, that the hon. Minister stepped in and over-ruled the superintendent, over-ruled his advisory board, which could not consider it until the following Thursday, and he released the girl. As far as I know, she is living with the principal, not as an incorrigible, not having served the full year, but fortunately having escaped from the hierarchy of the department.

HON. MR. FROST: The hon. member is most intemperate in what he says. This is apparently what happened: this child came up before the ordinary courts of the land. Apparently, from what the hon. member says, the court of the land or the magistrates' court committed this girl as an incorrigible.

MR. MacDONALD: Without giving any evidence on her behalf.

HON. MR. FROST: The judge of the juvenile court committed the child as an incorrigible. When the child goes to the reform institution, she is there rated by the court as being an incorrigible child, and the Department of Reform Institutions and the school has to deal with her accordingly.

When the matter comes to the hon. Minister, the hon. Minister looks into the case and finds that according to his likes that the child is not an incorrigible, and releases her. What more humane administration would the hon. member want than that?

MR. MacDONALD: May I remind the hon. Prime Minister that this child was committed to the institution, and in the minds of the superintendent she was an incorrigible, and could not be released within one year.

HON. MR. FROST: The court said she was.

MR. MacDONALD: Exactly. Apparently there was not sufficient perception in seeing whether or not this was a genuinely incorrigible child or whether she was one that could legitimately be taken out when the principal of the local school came and said, "I will take this child into my home."

HON. MR. ROBERTS: Would the hon. member mention what juvenile judge it was?

MR. MacDONALD: I do not know.

HON. A. K. ROBERTS (Attorney-General): If it was the juvenile judge in St. Catharines, it would probably be Magistrate Hallat, in whom I have a great deal of confidence. If it was the juvenile judge in Welland, it would be Judge Fuller, or Magistrate Street, all of whom are highly respected and experienced magistrates and judges.

MR. MacDONALD: All I want to say to the hon. Attorney-General is, here we have one case in which a 14-year-old child was brought into court without any information being sought to present a defence for her. They did not go to her principal; they did not go to any other people who, as they found out later, were so incensed that they formed a committee, pooled money and retained a lawyer to look after her interests. I suggest to the hon. Attorney-General that if an innocent child can be a victim of that kind of injustice, it is time we looked into court procedure and looked at it very carefully.

HON. MR. ROBERTS: Actually, at the time this sentence was made, if there were any representations made that it should have been reviewed, it would have been reviewed. It is a little late to bring it up now, but I only repeat from the experience of those men I mentioned, if it was Magistrate Hallat, Magistrate Hallat in particular, that I have confidence in their judgment. If the hon. member is attacking the court on that basis, I will certainly be glad to get the report even at this late date, but I certainly have confidence in the judge.

HON. MR. FROST: I point out also to the hon. member that we had a case here that has been given a lot of publicity in the papers, where a magistrate, and a very good magistrate too, sentenced a young person to 17 years imprisonment because of a stabbing affray. The hon. Attorney-General is giving assistance in the appealing of that case, so it can be

reviewed. I would say also that human judgment is never infallible. Here was a case of this particular child, that the hon. Minister himself acted on to release, because he felt on his investigation that she was not incorrigible.

HON. MR. FOOTE: I remember this case last year, and the hon. member brought it up to me quite properly in the House. I think it was in the closing days of the session, was it not? I had not considered the case at all. The girl had been committed by the courts and we had to accept that.

The case was then brought before the department and the advisory board. That advisory board is composed of some very fine people, including Dr. Bennett, a school inspector, and Dr. Lewis, a psychiatrist and others. Last year, without any remuneration at all, they had 51 regular meetings. They have given a great deal of time to the study and visited the schools and have considered all these cases. When this case came to me I wanted to investigate it and find out all about it. I think, the next day, after I got home, I was called by the paper and there was a great hue and cry about this girl who was mentioned by name. My judgment, from what the hon. member told me which I accepted, and the fact that this girl was being advertised all over this province, was that the thing to do was to terminate the wardship without going through the regular courtesies of considering it with the Advisory Board. I want their support and I want them to know I appreciate what they are doing. The real damage in this case was done by the publicity that this girl had received and who would have been released in due course without outside pressure.

I would say this. This is not the first time; I remember when three boys were committed to the Bowmanville Training School. They had been heard in a senior court and had been committed to Bowmanville without any preliminary investigation whatever. When I reviewed that case myself, I saw they had been charged with breaking and entering into a summer cottage and taking some old

rusty nails, or something of that kind, and I immediately cancelled that commitment and sent those boys home and they have done well. I assure you it is a similar case and it would have been settled in a way that nobody would have known anything about it, except for the hue and cry so that this little girl's name was bandied about.

MR. MacDONALD: The hue and cry was raised by the principal of the school who was seeking to take her into his home. It was not raised by me.

HON. MR. FOOTE: I am not saying it was raised by the hon. member.

MR. MacDONALD: After the principal came to see me, almost at the time I was taking it up with the hon. Minister, the news accounts came out in the afternoon papers. Why did the principal take that action? Because he and his lawyer had gone to your department and had been met by a stone wall and had gotten nowhere. They had gone to the superintendent and all they got from her was the statement that this girl was unlikely to get out inside of a year. Here were people who knew the girl—the principal, her teacher, the Home and School Association. To them the suggestion that this girl was incorrigible was utterly absurd and, once again, here were people who felt the only way to get action out of the department was to take it up with the press.

HON. MR. FOOTE: Let me mention a somewhat similar case where a great hue and cry was raised by the people who wanted to adopt a child, and they did. We tried to keep an eye on what was going on in the home and our own people said things were not going very well, and the people who had claimed the child were beginning to wish they had never heard of her. I did nothing about it and said we will do nothing about it. I said she will never come back to the school as long as I am in charge of the department.

MR. MacDONALD: Mr. Chairman, I do not wish to pursue this because I want to get back to the Galt institution;

the existing one. I was up there a couple of weeks ago and examined the new building. I was shown over it, pretty thoroughly, under the guidance of the superintendent. I say, without any reservation, that in terms of a show-piece, it is a very impressive institution. I have no doubt that administratively it is run exceedingly well. But here again, we are running an institution which is supposed to be a training school with a sub-minimum of professional staff. You have teachers, true, you have one psychiatrist—

HON. MR. FOOTE: There are two.

MR. MacDONALD: You have one psychiatrist, Dr. Acheson, who makes a visit once a month and, let us face it, the proposition of a psychiatrist visiting a school once a month, means that you might as well wash it out as real psychiatric treatment.

HON. MR. FOOTE: We have Dr. Hall.

MR. MacDONALD: Yes, we have Dr. Hall, who comes once a week. Again, any psychiatrist who comes in once a week is not going to have time to do a clinical assessment for all requiring it.

What have you got by way of other professional staff who might take the result of any such study by this doctor, a top professional person, and carry it into effect? Where do you have social workers?

HON. MR. FOOTE: The principal of the school.

MR. MacDONALD: The principal of the school is in charge of a great institution and let us not be absurd and suggest the principal of the school, although she has the qualifications, is going to be able to do much individual work with children when she is running an institution of that size.

HON. MR. FOOTE: She can train her staff because of her own training.

MR. MacDONALD: That may be a matter of some sharp division of opinion. The point I am trying to

emphasize is, that you simply have not enough professional staff to operate a training school to do something for these juveniles whom we hope to recover from their unfortunate circumstances and enable them to get out into life.

What impressed me was that during the discussion I had with the superintendent, she again emphasized group therapy. That is where she places her chief emphasis. I am not trying to underrate the importance of group therapy, but that is not where the emphasis is placed in a modern programme, but rather on serious individual assessments of the problems of each child. It strikes me that group therapy alone is not the kind of programme we should be building in the year 1957. This is what, all along, has overshadowed everything in an institution that might have good points.

Finally, I get around to the detention cells and I wish all the hon. members of this House could visit them, as has the hon. member for Waterloo South. These cells are above the kitchen. You go up a stairway. At the top of the stairs is an iron gate which leads into a hallway with detention cells all around. The day I visited, I discovered an unlovely situation; at the end of the hall, in a corner, there huddled a little girl. And why was she huddling in the corner of the hall? Because every detention cell was full. This was the overflow. One girl had been in for 23 days. The doors were opened with a number of the girls and it is a pretty sad and sordid spectacle of girls clad in ill-assorted night clothes in a room that in some instances would have a cot and in some others there was no cot; sitting there day in and day out sometimes for 23 days. Does this government think this is the kind of programme that is going to do something to rehabilitate a child?

HON. MR. FOOTE: The hon. member is quite wrong.

MR. MacDONALD: I do not know whether I am wrong but this is what has happened. We talked with one 14-year-old girl who was in there because

she refused to take her medical. I am not going into the details of the particular case, but the superintendent said to her, "Well, are you going to take your medical?" and she defiantly said, "I am not going to take it." "Well," said the superintendent, "I guess we will have to sit this one out." Afterwards, out in the hall, I asked what the superintendent meant when she commented that they'd just have to sit this one out. Is this going to be like last year, another 90-day detention?

HON. MR. FOOTE: There never was a 90-day detention.

MR. MacDONALD: There was; perhaps there were interludes when she got out to wash the floors.

MR. MALONEY: Yes, and they ran away, and the hon. member does not know anything about it.

MR. MacDONALD: The thing that disturbs me most about the situation at Galt is that we have abused any purpose there might be in detention. Let me draw this to the attention of the House: in Great Britain, in any reform institutions, any one who is designated to have solitary can be kept there for only 3 days. Beyond that the superintendent of the institution must have permission from the Home Secretary. Just stop and consider this: must get permission from the Home Secretary before giving detention beyond 3 days. I want to suggest to the hon. Prime Minister that what is going on is the grossest kind of abuse. What disturbs me about this new building at Galt is that it is going to be just the overflow of the detentions from the existing school. I know that.

MR. MALONEY: How do you know?

MR. MacDONALD: I know, because the girls who are most incorrigible and cannot be kept in detention will be sent over into this juvenile bastille across the way. This will be the overflow so that they will not have 12 and 14 years olds huddled out in the hall because every detention cell happens to be filled.

MR. STEWART: What would the hon. member do with them?

MR. DAVIES: The hon. member made the statement; it has been carried through.

MR. MacDONALD: Why does the hon. member not take a little interest, because if he did take any interest in this he would know that the girls who are the most incorrigible in Galt have previously been sent to the Mercer Reformatory and what they are building this bastille there for is to take the training school from the Mercer Reformatory and put it on the same ground at Galt.

MR. DAVIES: This has been announced, I presume, and it will be carried through?

MR. MacDONALD: I do not know what is going to be carried through.

MR. DAVIES: The hon. member said it was going to be carried through, the hon. member has made the statement that it is to be carried through.

MR. MacDONALD: I have said that this has been announced, whether it is to be carried through or not I do not know.

MR. DAVIES: That is what you said.

MR. MacDONALD: Mr. Chairman, if I might get on with it, I do not want to take all the time of the House but the interruptions prolong it more and more. There is one other aspect I want to discuss and that is our parole board. The hon. Minister mentioned this and I wish he had gone on to discuss other aspects of the Fauteaux report. After such a report why does the hon. Minister not take this House into his confidence in regard to the cutoff after 6 months' sentences, beyond which all those convicted will go into a federal institution?

I think before we finish these estimates we should know that. The parole board is, to my mind, one of the sad spots of the situation at the moment. I know a number of the members of the parole board and I have no doubt in the world

they are well-intentioned people and yet the more I look at the results of our parole board I am convinced the answer is to implement the Fauteaux report and abolish the provincial board altogether, because something is basically wrong.

I could read letters to the House that I have had in a continual flow during the past year from inmates. I am not going to read them because I know it will be said that I am listening to sob stuff. But I would draw the attention of the House to this, that one excuse that is given most frequently when I discuss some of the cases with the department is that this was a recidivist, this was a person who had a previous record, and the almost consistent reaction I have gained in talking with the departmental officials, and in getting the reaction of inmates who appeared before the parole board, is that if you happen to have a record there is very little chance of you getting paroled at all. I would like to draw to the attention of the House that this is not necessarily the correct approach. In the Fauteaux report, for which one of our civil servants in The Department of the Attorney-General, Mr. W. B. Common, was an author, you read this on page 53:

"In Canada the practice, and therefore the principle, appears to have been, at least until recent years, to deny parole to inmates solely because of their lengthy records. The present practice is outlined elsewhere in this report. We agree that a lengthy record is not, of itself, a sufficient reason to refuse parole. There are three reasons for this view. Inmates with all hope denied make for bad institutional morale, because they create an atmosphere which makes reformatory treatment more difficult for all inmates. Further, an inmate released at expiration of sentence is thereafter under no restraint or supervision and supervised parole to such persons might help to decrease the problem of recidivism. Finally, the experience of after-care agencies has been that many of their outstanding success cases have been individuals with long records."

In other words, the proposition that if

a man has a record he should not get parole, is denied by the Fauteaux report.

I have just put this forward as one of the considerations and I do not want to get into a detailed discussion.

HON. MR. FOOTE: I do not want to interrupt the hon. member too much but I am keeping these things in my mind and I am sure we do not want to hurry it but I will just wait until the hon. member has finished and then I will say just what the situation is up to date.

MR. MacDONALD: Mr. Chairman, the thing which is consistent in all these letters from inmates is that they get very cursory consideration before the parole board: they may go before the parole board—and I realize you cannot take their complaints at face value in all instances—they may give what they feel is evidence of an intention to go straight, but this is all dismissed in an abrupt way. Last summer I had my desk deep in letters because I did not know what sort of an answer to give, what reply would be an intelligent one under the circumstances. I got the Select Committee's report which the hon. member across the way will recall very vividly, and was very interested to discover that what I had received in these letters from the inmates is confirmed in almost the same phraseology in the report of the Select Committee.

"In the face of such heavy responsibility, the committee regrets to find that the present board is lacking in leadership, in careful and analytical procedure, and in policy. Its entire operation appears to be haphazard."

MR. STEWART: The chairman at that time is now dead.

MR. MacDONALD: You have an acting chairman since and there has been no serious change in the procedure of the parole board.

MR. STEWART: That refers to the administration under a man who is since deceased. You are out of order.

MR. MacDONALD: Perhaps I could go on:

"To make a decision that is the most vital thing in the life of the inmate and the lives of those in his family for the ensuing months, the parole board gathers written data and conducts a brief, rambling interview. On the average it takes two minutes for the secretary to read the reports, 8 minutes for the interview and decision, so that total time devoted to each individual averages 10 minutes. While the applicant stands, usually ill at ease and straining under the tension—

I could give you dozens of letters in which the man says these things happen.

MR. STEWART: That is in days gone by.

MR. MacDONALD: The hon. Prime Minister told me that when I was talking about patronage:

"For example, an insight into an inmate's motivation and sincerity cannot be obtained by a question such as: 'If we grant you parole, will you really try to change your ways and lead a good life?' This question—which was asked at a regular hearing in the committee's presence — is a leading one to which any inmate who wants parole could give only one answer. The board has not established a regular set of questions with the weight of the answers established in regard to the advisability of granting parole."

Finally, this comment with regard to the parole board:

"The board apparently has taken upon itself, on occasion, the duty of correcting what it felt to be a mistake in judgment on the part of the court. This it has no right to do. Applications for parole should be considered strictly on their merits, without reference to the severity or leniency of the original sentences."

Their conclusion is:

"Parole is too big and too important a job to be entrusted to a part-time unpaid board, regardless of the capabilities of some of the members. It

should be handled by a full-time civil service body to be comprised of not more than 5 persons, paid salaries commensurate with the responsibilities involved and the abilities required. In making appointments to the board, due recognition should be accorded the fact that it must deal with both male and female inmates. Only persons with the necessary high qualifications should be appointed to the board."

I am not going to read from the Fauteaux report, but if any hon. member wants to look at page 81 he will find that the Fauteaux report, some 4 or 5 years later, suggests the establishment of a board with personnel almost along the lines of that concluding suggestion there.

MR. STEWART: They copied our report.

MR. MacDONALD: Can anything be done about implementing the report? That is the important point.

In conclusion, Mr. Chairman, I just want to make this suggestion, that one of the steps towards a more effective programme lies in the implementing of the recommendations covered by the Fauteaux report. But I still want to come back to my basic point, that we must alter our whole approach, and to do that I want to suggest to this House, and to the hon. Prime Minister, that this is going to require some changes at the top personnel of The Department of Reform Institutions.

MR. STEWART: Whom would the hon. member fire?

MR. MacDONALD: I would suggest to the hon. Prime Minister—and I wish the hon. member for Parkdale would cease for a moment—

MR. STEWART: Whom does the hon. member want to get rid of?

MR. MacDONALD: The hon. Minister rises gallantly and loyally to defend his staff, but I say to the hon. Prime Minister, like the old king in the fables, that some time he should cloak himself

and move out into the byways of this province and talk to people who are interested in this field and find out exactly what is thought of the Department of Reform Institutions. What we have got to have if we are going to build the kind of programme I have been outlining is to have changes in the top personnel of this department, because it is simply impossible—

MR. STEWART: Whom does the hon. member want fired?

MR. MacDONALD: —to build a modern penal reform programme on a set of Victorian prejudices which have merely been bolstered by some 30 or 40 years. It looks as if we have a situation in which this government—and by “this government” I mean the cabinet, including the hon. Provincial Secretary with his benign smile and the hon. Prime Minister himself—is in effect supporting the worst evidence of this outdated and Victorian approach to penal reform.

I sat in this House and listened to the hon. Prime Minister make a very revealing sort of comment last week. We were talking about the county gaols, and his comment was that he was not interested in spending money on county gaols—anybody that was crazy enough to get into a county gaol, let him take the consequences. I suggest to the hon. Prime Minister that it would be just about as apt to say to somebody: “If you are crazy enough to get into a mental institution you can take the consequence.”

AN HON. MEMBER: Nonsense—sheer nonsense.

MR. MacDONALD: That is it exactly. This government has got a modern programme with respect to mental institutions, and the hon. Prime Minister has pleaded to get rid of the stigma which has always been attached to people suffering from mental ill health; but this government, including the hon. Prime Minister, fails to realize, as all modern penologists do, that the great majority of people who get into trouble are people who are ill, people

whose emotional stability has been wrecked.

It is no solution to put them in detention cells; or to inflict corporal punishment. The basic need is to find out what is wrong with those people and what kind of treatment should be given to them. When I rise here and listen to the interjections that come from the front bench of this government I have not too much hope, but I suggest that as long as we continue this kind of programme we may enter this House as we are today and the hon. Minister may ask this House to vote \$12 million in estimates for his department, but I say to him that we are going to be pouring a pretty sizable portion of that down the drain because he is not going to get value for money received.

If the hon. members think, once again, that I am exaggerating things, let me conclude my remarks by referring to the second last paragraph in the letter of the Toronto Branch of the Canadian Association of Social Workers.

MR. COWLING: What is the date of that letter?

MR. MacDONALD: 16th February, 1956. The hon. Minister spoke about the great need for professional personnel and blames it on the donnybrook. I would say that if we had a set-up like we had last year when the hon. Provincial Secretary, as the former Minister of this department, rose, and, in vicious terms, described social workers as being “egg-heads” and so on, and the hon. Minister rises in the House documenting it and supporting it—

HON. MR. DUNBAR: I did not say anything about social workers.

MR. MacDONALD: The hon. Minister referred to one individual—

HON. MR. DUNBAR: I said he was a dud, and I repeat it.

MR. MacDONALD: The hon. Minister is documenting it?

HON. MR. DUNBAR: Yes; he was a dud. I am not saying anything about

social workers. I know some of the best—

MR. MacDONALD: The man the hon. Provincial Secretary is talking about is a head of the Toronto school of social workers—and he is a dud?

THE CHAIRMAN: Order.

HON. MR. DUNBAR: The man who was working as the hon. member's "stool pigeon" was a dud.

MR. MacDONALD: I suggest, Mr. Chairman, that when you have an hon. Minister in the front bench rising and discrediting a head of the Toronto school of social workers and referring to him as my "stool pigeon" — how much reasoned argument can we get from the front bench of this government on this issue?

HON. MR. DUNBAR: It was my experience of him, and of his untruthfulness in his statements—

MR. MacDONALD: The government should not talk about not being able to get personnel. It cannot get professional personnel because no self-respecting, or few self-respecting, people are willing to risk their reputation and come into something in which there is such a basic difference of opinion; and those differences have been documented again this afternoon by the government's 19th century approach.

HON. MR. DUNBAR: When I gave the hon. member the facts last year he did not like them. He was the hon. member's "stool pigeon"—nothing else.

MR. GROSSMAN: The hon. member for York South made a terrible charge against—

MR. MacDONALD: One thing I dealt with was the fantastic Van Nostrand letter last year, and if the hon. member does not think—

MR. GROSSMAN: The hon. member for York South made a terrible charge against one of the scientific men in this department.

MR. INNES: Mr. Van Nostrand is one of the finest psychiatrists in this department.

MR. MacDONALD: I made a statement about the entire episode, that it dealt an irreparable blow to the professional status of this department.

MR. STEWART: The hon. member for York South certainly did irreparable damage.

MR. MacDONALD: If the hon. member for St. Andrew is not careful I will inform the House what he has said to me privately as to what he thought about the—

MR. A. GROSSMAN (St. Andrew): I never gave any opinion at all as to whether or not the charges made by the hon. member were correct or incorrect. I merely point out the inconsistency of the hon. member when he says that one of the reasons we cannot get personnel for the department is because one of the hon. Ministers made some reference to one particular person.

I am suggesting that the hon. member is contradicting himself, because he did exactly the same thing in terrible terms himself. Perhaps that would be the reason they cannot get proper personnel, if they have not got proper personnel.

MR. MacDONALD: The hon. member says that there is a contradiction. He is incorrect. What I was maligning was the action of one psychiatrist in The Department of Reform Institutions, and it was just so incredible that it was almost without precedent.

What I would draw to the attention of the hon. member, if he would sit down and listen, is that what the hon. Minister has done is to make an unwarranted and unprovoked attack upon a man who happens to be the head of the Toronto school of social workers.

MR. GROSSMAN: Was not the hon. member's attack an unprovoked attack on one man?

MR. MacDONALD: No; it was provoked.

MR. GROSSMAN: The hon. Minister should argue that he was provoked.

MR. MacDONALD: The hon. member for St. Andrew should sit down. I am trying to give the House the statement from this authoritative professional body.

A final point that needs attention, Mr. Chairman, is a comment by the Toronto Branch of the Canadian Association of Social Workers:

Offenders are human beings who have made mistakes. Whatever the philosophy of the department, it can only hold them out of the community for two years, under the law; the average term is about 6 months. Then they return to the community. The department, as part of the criminal law, is charged with the protection of the community. If they return worse than they went in, the department is failing in its primary obligation to the people of Ontario and the taxpayer is paying out millions of dollars only to be put in great jeopardy. This is a tragic human result and a gross miscarriage of public responsibility.

I say to the hon. Minister it is a very considered and not a rash comment. I think it is a reasonable comment that unless he can get some changes, we will not get effective rehabilitation out of the present approach and policy of his department with these outmoded 19th century aspects.

He is going to minimize the good, even the good part of his programme, and is going to, as a result of that, carry on a department in which a fair proportion of the money is wasted in terms of achieving its stated objective.

HON. J. W. FOOTE (Minister of Reform Institutions): I would like to say something about the hon. member's speech, and the first one is this: I think he has met my request for milder treatment of this subject today to a great extent, and I think the last 10 minutes have been probably due to some provocation.

While I do not agree with his criticisms at all, about our basic attitudes, those held by our people, and the programmes, and so on, yet I do appreciate the spirit in which he has made them, and I think he would like to know more about the subject which he has raised; is that correct?

For instance, the parole board. In the Fauteaux report, they recommend a separate parole board which will not see the prisoners at all. They have regional boards which report to them, but as far as the actual contact of this new proposed board with the prisoners, it would be nil. Some people have objected very strenuously to that, and some of the groups that the hon. member is speaking about, have come to me—

MR. MacDONALD: That is the basis on which the advisory committee was set up. They do not see the people. They just see the reports.

HON. MR. FOOTE: I do not take much exception to that report, because I think what a board can do in 2, 5, 10 or 15 minutes is almost negligible in comparison with the other factors which should be considered.

I have had consultation with my parole board and in the first place, he should understand that I have to be careful in issuing any instructions to them because this is a board set up to act independently; that is, they are not to have pressure put upon them by me as the Minister, or by individuals.

The hon. member is familiar with some of the scandals which have come about in other jurisdictions where the parole board was subject to pressures. That is one reason why I have never issued any directives. However, I have met with them several times, and recently I have given them my opinion of what I would like to have done.

If the judge or the magistrate gives a man an indefinite sentence, he must certainly have in his mind that providing the man behaves himself in the institution, and shows some indication that he wants to get along, and has a job provided for him either by his family or by

our rehabilitation board, I think that man is entitled to his parole.

I do not think he should be turned down. It is a very difficult thing to give parole to one person and refuse it to another. The fact that the indefinite sentence is going to be observed by giving parole, has a great influence in the institution for good behaviour, and discipline, and I have urged them to go on that understanding.

The few minutes you can spend with a man is almost useless, but the time we can spend on his record is very useful. We have permanent full-time people who do not appear on that board, but the chief parole and rehabilitation officer spends full time on it, and the secretary of the board is a lawyer. These cases are discussed well in advance and every record which we can obtain about the man and his reputation in the institution is studied.

I have seen men come before a board and have the most unprepossessing manner in the world, who are in many cases very good prisoners, and they will make a very poor impression. You can get, on the other hand, one who is more polished in his way and he can talk himself out of the jail, so to speak, so that, I do not see very much value in the interview.

What I really believe is to establish a principle on which the indefinite sentence is to be honoured in every case where the circumstances justify it, particularly his behaviour in the institution and our ability to place him in employment; that is, with the exception of sex offenders who are there because of assaultive sex acts, and although magistrates give them indefinite sentences, my advice to the parole board is to pay no attention to it, and to keep them there as long as they can.

With regard to the parole board, and I would give you the figures if the hon. member is interested enough. Last year, 1,478 appeared before the board; 836 were released on parole and 621 of them completed it satisfactorily. I brought up the objection I received that some of these prisoners do not get a fair hearing.

I talked this over a good many times with the chairman of the board. He said, "We give them all the time they want. When we have finished asking questions, which I admit are of not much account, every prisoner is asked, 'Now, have you said everything that you want to say?'" Now, what more can you do? If the man says, "No," there is no use in holding him there. I think that is sufficient for the parole board.

In relation to the training schools, we have, as the hon. member knows, about 1,800 children under our care and roughly 900 on placement doing well, and 900 in the schools. The criterion that you must have for that school is, what does it do for these children? Here are the records for the training schools given by the advisory board.

Approximately 73 per cent. of these youthful wards have adjusted satisfactorily to life in the community, and the wardship can be terminated. There is a list here of all these people, broken down in certain classes of what they have done: some have married, and some men have enlisted in the military forces. As I said before, 23 of them are in Ontario hospitals.

In the matter of detention, we had, I think, enough to say about that last year. We have had some difficult cases which really defy our psychiatrists. The last one we had, who is one of the international figures, gave me an official report and then gave me a private report, and if I could tell this House what he advised should be done with this girl, it would surprise them. It was not in the way of prolonged seances and psychiatric treatment.

He thought the only solution was a very firm and grim approach to the subject. Regarding the detention quarters at Galt, after last year's discussion, I went up to see them for myself and they were about half filled at the time. The hon. member for York South knows the situation; he has described it. It is on the second floor and there is a vestibule room of some size outside.

At the time the doors were locked and there was no one in attendance

there. They were coming and going but there was nobody staying. I suggested, unless a girl was in some sort of tantrum, that the door be left open and that a suitable supervisor, a kind, sympathetic person, should be there and stationed at a desk, something like a nurse at her station, and that she should use every opportunity to talk to the girls and visit with them.

I asked that their lessons be brought to them by the school teacher and that they be given reading material. I, myself, questioned the use of long periods of segregation. In this sense, I want to make it clear that this is not really segregation in the sense of solitary confinement at all, but, as the hon. member says, the cells are pretty bare. There is a reason for that. I suggested to the matron that the girls, besides having their mattress to lounge on, should have something like a hassock to sit on so that they would be comfortable and could read. So they got them.

This is just one of the things that happens. They are not there now and not because they were removed; but because they were torn to pieces, utterly destroyed. An effort was made to do something for these people, and, to say the least, there was no response. The hon. member may think if there were enough psychiatrists everybody could be cured. If there were 25 psychiatrists and they were there all day long from morning to night, I do not think that they could handle this situation. My experience and my observation shows that it takes a long period of time of concentrated work to do these things.

I think the best we are getting now, is to try to get the girl or the boy to understand something about themselves. And to try to get an instructor to approach them in the right way. We are not running a mental hospital in this institution. You speak of the scarcity of qualified people; for instance, we have three full-time doctors in Guelph. I know of an institution in the United States that had one psychiatrist for a population of 300 more than we have at Galt.

MR. MacDONALD: Before we leave the Galt situation I believe the hon. Minister said that if the girls were not in a tantrum the doors were to be unlocked. How would the hon. Minister explain that simply is not happening? The doors are locked. They were locked the day I was there, and I know of two or three other people who have visited the institution and the doors were locked on that occasion.

HON. MR. FOOTE: I do not know now but I will find out. I could suggest several things: an emergency matter to which the superintendent may have been called. I do not want to give an opinion until I find out what actually did happen.

With regard to this new institution at Galt this is for the girls who were formerly sent to the Ontario Training School section at the Mercer Reformatory. I will give the hon. member my opinion very bluntly on this move of building a new institution at Galt.

I did it because I have been pestered to death by the women to get these children out of Mercer Reformatory. I do not think there was any more need for this than the man in the moon. The rehabilitation rate for the girls who went to the Mercer Reformatory was the highest of all our institutions, even Brampton.

MR. MacDONALD: But the hon. Minister built something as bad.

HON. MR. FOOTE: Without any professional assistance but using very plain common-sense and loving, firm attention, the matron, Mrs. Burroughes, and her staff, have done wonderful work. It is true that if it had not been for the pressure put on me I would have left it there where we had plenty of room.

MR. MacDONALD: The hon. Minister cannot blame the women for this. If the hon. Minister felt this way about it why did the hon. Minister not put his money into the school at Brampton. The hon. Minister says they built this because of the pressure of the women in the Elizabeth Fry Society, the Penal

Reform Committee, and so on. I suggest that is just evading the whole issue and putting the blame where it should not be.

The fact of the matter is this department was willing to build a bastille for juveniles rather than build a school at Brampton which I have heard talked about ever since the money was appropriated in 1955.

HON. MR. FOOTE: The hon. member does not have the information but I say, from a common-sense point of view, that is true. The situation at the Mercer Reformatory was all right. We were doing a good job but they wanted something modern.

MR. MacDONALD: It is not modern.

HON. MR. FOOTE: Yes, it is. The hon. member talks about bedrooms as if the girls are going to spend all their time in the bedrooms. The real planning is in the big outside room. There has to be some custodial bars there or they will break the windows and hurt themselves and get out. But the hon. member neglected to say a word about the two large rooms for occupational therapy and the schoolroom, and in each of the four units a large bright day room, another lounge room for quiet reading and writing.

There is accommodation for medical people and so on. I know the hon. member has to try to make a case, but why not tell the whole thing; he had lots of time to tell this part of it, but he did not say a word about this.

One thing more; about corporal punishment, I discussed this with the hon. member once before and I suggested that in Great Britain it was not abolished and the hon. member said he was going to look it up and so did I.

I do not know whether he has looked it up but I have just checked and have had confirmed what I believe to be the situation—that corporal punishment is not abolished in Great Britain and available for insurrections, revolts

against authority, or assaults on guards and so on.

MR. MacDONALD: Sure, but that is not what we are talking about here.

HON. MR. FOOTE: That is why they get it from us—a great many times.

HON. MR. MacDONALD: I am glad you added that.

HON. MR. FOOTE: We have a superintendent who has been at Burwash and for whom the hon. member and I both have a great deal of respect. If you want the figures for last year's corporal punishment at Burwash—

MR. MacDONALD: I hope that the new superintendent at Guelph will open a new chapter which will be more along those lines.

HON. MR. FROST: Was there not an insurrection at Guelph and it cost the government \$1 million to repair the damage?

HON. MR. FOOTE: I think the hon. member will be interested in this: the same superintendent came to Guelph and took over—the same humane man that the hon. member and I both admire and who has had such good results. Before he was very long at Guelph he wrote this letter:

“A further matter in which I am particularly concerned is the Ontario Training School section at the Guelph Reformatory. I believe you are aware of the fact this section, comprising between 40 and 50 young men has been, particularly in recent weeks, a most decided disciplinary problem; a problem which could have and might very easily still endanger this entire institution. It was brought very forcibly to my attention by coming into the institution as a newcomer, when I met this group and saw the manner in which they conducted themselves. At Burwash, my former institution, we had men whom I would regard as dangerous men, anti-social and defiant, but I cannot recall any one

with the attitude that I have found in most of this Ontario Training School Group."

These are the ones for whom we are building another institution at Guelph.

"I would like to point out that in my opinion unless authorities here have the power to deal with this group as is felt necessary a dangerous situation could arise. For instance, several of these young men who were placed in confinement immediately destroyed everything practicable, windows, beds, etc. When placed in a further area, they waited until after lights out and created a disturbance that aroused the entire wing. I believe my record at Burwash shows that I did not order the use of the strap indiscriminately, as a matter of fact I exercised considerable caution in its use. However, when the necessity arose and I felt it was justified, I had no hesitation whatsoever in ordering its use, and in my opinion there are times with this group of O.T.S., when the use of the strap is not only justified but is in the interest of the well-being of this institution."

He ends the letter by asking for authority which he really did not need and ordered corporal punishment and things have settled down considerably since then.

MR. MacDONALD: He inherited a grim situation.

HON. MR. FOOTE: He is a good man.

MR. J. A. MALONEY (Renfrew South): Mr. Chairman, I would like to take part in this debate at this time for the reason that I had the privilege of visiting Galt last Friday morning to inspect this juvenile bastille and penal monstrosity. In rising to speak, I do not feel that I am called upon to apologize for doing so, because I think it is fair for me to say that there is no hon. member in this House or in this province who has any greater interest in the welfare of our present population, be they adult or juvenile, than I.

My entire career has been dedicated towards the defence of people who for one reason or another have become involved and entangled with the law, many of them I have definitely known to be guilty, but at the same time it was required that the Crown should prove that they were guilty. I feel in some of the penal institutions in this province and in this Dominion there may be some unfortunate citizens, who, because of some mistake of mine, are where they should not be. Be that as it may I was very much interested in listening to the remarks by the hon. member for York South this afternoon.

The members of the legal profession have always defined an expert as one who knows more and more about less and less, and I very much fear that the hon. member could not qualify or place himself in that category, because if ever I have met a man in my experience since I have come into this Legislature or anywhere in public life who knows less and less about more and more, it is the hon. member for York South. The hon. member would give us the impression that he is an absolute expert on every matter which we consider in this Legislature.

I was always one who felt that I should realize to the full and recognize my own limitations and when I do that, and I would suggest the hon. member for York South do it, I do not find I am able to take myself too seriously. If the hon. member for York South would only learn the great lesson that I have learned the hard way on many occasions, not to take yourself too seriously, he would contribute much more to the business of this House and to the welfare of this province than he is contributing by the irresponsible unadulterated drivel to which we have so frequently been required to listen from him.

MR. MacDONALD: Why not deal with the issue?

MR. MALONEY: I will deal with the issue. Any man who would have the effrontery to rise in this House and say that this new building at Galt is a juve-

nile bastille or a penal monstrosity is just not living at all. I say to the hon. Minister that he does not have to apologize for that building.

It must be remembered that the people who are going to occupy that building are people who do not have to be there for 5 minutes if they themselves show that they do not want to be there by their conduct. It is known as a maximum security building for incorrigible juvenile girls under 18 years of age. I doubt very much if we will ever hear of a 10-year-old child being there, but you probably will hear from time to time of a girl between the age of 15 and 18 years of age being there because if the hon. member for York South would only realize it, the inmates of that building are going to be girls for whom everything which could be done has been done.

Every effort has been exhausted to rehabilitate them and to make them realize they have a life to live in order that they may be decent members of society.

MR. MacDONALD: What about Shirley Uzelac?

MR. MALONEY: The hon. member should apologize to her for mentioning her name; he has violated every principle.

MR. MacDONALD: I did not mention her name. I rise on a point of privilege, Mr. Chairman.

MR. MALONEY: I do not wish the hon. member to interrupt me at this time.

THE CHAIRMAN: On a question of privilege, I will allow the hon. member to speak.

MR. MacDONALD: The hon. member says I mentioned the name. It was the principal who sought to bring her into his home that publicized her name. He did it because he had to get some action on the matter.

THE CHAIRMAN: Today the hon. member used her name.

MR. MacDONALD: The principal did last year.

MR. MALONEY: The hon. member for York South has once again given an explanation of how he can distort the truth when it suits his own vile purposes. I was up until this time prepared to give the hon. member for York South the benefit of the doubt and to try to realize or feel that he was sincere, but after listening to him now distort as he has on previous occasions distorted the truth, I cannot even give him that benefit of the doubt. He did deliberately mention that girl's name in the House today in violation of the very principles of our British system, and of our Ontario system which says that the name of no juvenile can be mentioned in proceedings or any debate in this Legislature or elsewhere.

That girl, for whom he expresses such concern, is one day going to be a woman, is one day going to be a mother of children, and when somebody can look back and say that her name was painted in such a distorted fashion by the leader of the erstwhile Socialist party in this Legislature when her name should never have appeared, it is possible the hon. member for York South or his children or his grandchildren will have reason to hang their heads in shame for the reflection made by the hon. member himself.

MR. MacDONALD: Time to use the hon. member's towel.

MR. MALONEY: Any time I need a towel, the hon. member for York South can be assured that it will not be because of anything he has been able to say or do.

To get back to this Galt training school, I say this sincerely and I say it to the hon. member for York South, that he should get down on his knees and thank Almighty God that we have a woman like Miss Ruth Bentley in the province of Ontario.

If I ever met a woman who was dedicated, if I ever met a woman whose whole character and life is devoted towards the betterment of people who have, by their conduct, proven to be

incorrigible, and difficult to reform, this is the woman. Her whole life is dedicated to that purpose. In talking to her, you can see how interested she is in the welfare of these girls who come under her control.

I had the opportunity of going through the present school which is in existence, and while there I visited the classrooms, I visited the sewing room, the laundry, the beauty parlour, and every part of the institution, and while there I talked privately to 93 girls of the population, without anybody in attendance. I asked them, "Why are you here?"

Invariably the cause of their being there, the underlying basic principle—was the broken home, the home with the divorced father and mother and one of the parents either married again or living in a common-law relationship with a male or a female; with this unwanted child there in the midst of that home; and either the common-law father or the common-law mother with venom and hate directed towards the child, caused the child to become obstreperous and eventually incorrigible and rebellious against the authority of the home leading in frequent cases to the child running away from home.

There was even one there from the province of Saskatchewan. She ran away from that great province. She was a lovely little girl. I spoke to her. I asked her why she ran away. "Because my mother is living with another man."

MR. MacDONALD: I thought perhaps she did not like the government.

MR. MALONEY: I do not say that would be the reason. But she ran away because her mother was living with another man and the other man hated her and tried to attack her.

The basic, underlying principle, Mr. Chairman, in all of these cases, and the principle which the hon. member and those other well-intentioned people forget, is this, that all children who are born into this world are born of parents who make mistakes.

They have not the original responsibilities for the conditions in which they find themselves. That has been caused by the mistake of somebody else; and hon. members in this House, and particularly the hon. member for York South—if he would be more solicitous for the welfare of those people by directing his venom and his vituperation towards the parents of those people and towards the broken homes, he would do much more to correct the situation than he can hope to do by running down, maligning, finding fault, and castigating people who have devoted their lives and are dedicating their lives to the rehabilitation of these children.

I saw 5 or 6 girls in these present detention cells, which are known as "security cells." The doors were locked and they should have been locked. I asked one of the girls why she was there. Her answer to me I would not even repeat to this House. She was a girl only 15 years of age. The second girl I asked, "Why are you here?" "Because I called my teacher a prostitute." That was her answer—from a 15-year-old child. I asked, "How many times have you been in this room?" "5 times in 9 months." I said, "Have you not learned yet?" "Well," she said, "I do not like anybody or anything." I said, "How do you like Miss Bentley?" "Well, of all the things I dislike here, she is the one I dislike the least."

This is the woman whose work would be castigated by such attacks as have been made by the hon. member for York South last year and this year. If there is ever a person in this province to whom the hon. member for York South should extend an apology, it is to this woman, Miss Bentley, for the untold damage that he has at least tried to do to her.

This security building—this alleged juvenile bastille—this penal monstrosity—let me tell the hon. member for York South that this building has been planned by a very capable architect, a man who has inspected all of the new institutions and most of the old ones in at least 6 of the United States—particularly California, the State of

New York, the State of Michigan, the State of Illinois, the State of Indiana and the State of Massachusetts.

This building which the hon. member refers to as a bastille and a penal monstrosity is the result of his inspection of all these new and modern institutions in these different jurisdictions in the United States. So that I say to him when he makes that statement that he is making one that is conceived in ignorance, conceived by a mind that wants to distort the true facts of the case.

It is all very well for an hon. member to rise here and say, with a wave of his arm and body, that it is a juvenile bastille and a penal monstrosity, but does he realize that a man much more learned in this aspect of the problem than he—and I refer to the secretary in England—presented a report on approved schools in England and Wales in December of 1951, and here is what he said:

(1) With reference to senior girls' schools, most of these schools are small, taking no more than 20 to 30 girls. In this particular Galt institution, they have a maximum of 180, and this security building will provide accommodation for 30 or 32.

The report goes on:

Many of these girls are emotionally very disturbed and capable of violent, hysterical outbursts. Their sexual experience is very often greater than that of many mature women. The behaviour problems of these young girls put a great strain on the staff of these schools. It is neither easy nor desirable to have flexible rules for discipline and punishment. It is recommended that senior girls' schools should be allowed to apply dietary regulations where this can be used as a form of punishment. The construction of a separate, enclosed punishment block attached to the school might also be helpful to both staff and girls. The special punishment block would prevent the screamers and exhibitionists upsetting the rest of the school.

Then, the second paragraph of the report which refers to section 45, is as follows:

Most girls' schools have open detention rooms. In the senior girls' schools, segregation from the community is the commonest form of serious punishment, particularly for absconding . . .

that is for running away—

. . . The detention room is often an ordinary, bare room, with a grill in front of the window and over the ceiling light. There is nothing movable in the room with which a girl could attack a member of the staff. Some rooms have been specially constructed with strengthened doors since it is not unknown for an overwrought girl to smash in an ordinary wooden door. It is sometimes necessary to confine the girl for two or three days. Strong representations were received from headmasters and headmistresses that a closed school, or an open school, with a closed lock attached to it, should be established to prevent absconders . . .

MR. MacDONALD: What about 23 days' confinement?

MR. MALONEY: The hon. member for York South picks one isolated case.

MR. MacDONALD: It is not an isolated case.

MR. MALONEY: 23 days — there may have been a mistake there; people are prone to make mistakes. It is quite evident that the people of York South made a mistake, but they are going to correct it pretty shortly. People do make mistakes, and the hon. member is one of the living examples of what a mistake can be.

The hon. member is prone to skate around the point when the opportunity serves him best. But let me tell him that if he would stick to his knitting, like the shoemaker sticks to his last, and talk of something that he knows something about, rather than attempt to

impose his will and his lack of knowledge upon experts in this department, he would be doing much more for the rehabilitation of these people whom I am sure he wants to see rehabilitated, as do I.

MR. MacDONALD: Deal with the issues.

MR. MALONEY: Did the hon. member say "deal with the issues"?

MR. MacDONALD: That is right.

MR. MALONEY: That must be a new experience with him.

MR. MacDONALD: Deal with the issues, don't mind me.

MR. MALONEY: Oh, I do not mind the hon. member, let him not worry about that. He is the least of my worries and the least of those of the great majority of this great province, he may be sure of that.

MR. STEWART: The hon. member for York South lost that round.

MR. GISBORN: All right, tell us now what to do about it.

MR. MALONEY: For a man who has enjoyed the benefits of the free enterprise system as has the hon. member for Wentworth East surely I am not going to have to consign him and his leader to the tender grace of the hon. member for Algoma - Manitoulin, to once again explain to them the desirable features of the Fullerton Friendly Lay Away Plan, because if we have to, we will do that.

MR. MacDONALD: Deal with the issue.

MR. MALONEY: I will deal with the issue.

MR. MacDONALD: The hon. member is not; he is rambling all over the place.

MR. MALONEY: It does not suit the hon. member; it hurts him.

MR. MacDONALD: It does not hurt me.

MR. MALONEY: It puts him in proper perspective; it does not hurt me a bit.

MR. MacDONALD: The hon. member for Renfrew South is bringing in the vituperation that the hon. Minister of Reform Institutions did not want in this debate. The hon. member wants the doors closed, and the hon. Minister wants them unlocked. They should get together.

MR. MALONEY: It is a good thing for people like the hon. member for York South that we do have a Minister like the hon. John Foote, V.C., as the hon. Minister of this department. If he were to ask the people who really concern themselves with the welfare of these two unfortunate inmates of this institution—

MR. MacDONALD: I do; that is why I say this.

MR. MALONEY: If the hon. member would ask lawyers who act for them—

MR. MacDONALD: I have.

MR. MALONEY: Lawyers who have defended them—

MR. MacDONALD: I have.

MR. MALONEY: He will find that under the administration of the hon. Minister of Reform Institutions, more has been done for the rehabilitation of these people than either he or I can possibly conceive. The hon. member will not admit that possibility; his whole venom is directed towards one or two civil servants for whom he has, peculiarly, acquired a specific hate of his own.

MR. MacDONALD: A disagreement on policy.

MR. MALONEY: We are not interested in that. The reason that the hon. member stated one policy to be correct is the very reason that I and a great many like me would say that it must be incorrect if he says that it is correct.

MR. MacDONALD: Then how come the civilized world is on my side?

MR. MALONEY: A great majority of the people of the province of Ontario do not feel so.

MR. MacDONALD: The hon. member will find out before this is over.

MR. MALONEY: But to get back to this building, this cell that the hon. member for York South described, what does he want it to be; does he want it to be a 12 by 12 bedroom?

MR. GISBORN: We want it to be empty.

MR. MALONEY: That is what we want, too. It is 8 by 7, with a toilet, which the hon. member says is open.

MR. MacDONALD: That is correct.

MR. MALONEY: That is the ordinary toilet in every institution in the country.

MR. MacDONALD: And I said that the hon. Minister is considering having it taken out.

MR. MALONEY: I am not interested in that.

MR. MacDONALD: Why does the hon. member not find that out?

MR. MALONEY: I have not heard the hon. Minister say that.

MR. MacDONALD: He has told some of the women that he will do that.

THE CHAIRMAN: Order.

MR. MALONEY: No, he did not, Mr. Chairman; he said he would go down and have a look at it and discuss it.

MR. MacDONALD: Yes, there are a lot of things he is going to change.

MR. MALONEY: It is obvious that the members of the Elizabeth Fry Society are wonderful people.

MR. MacDONALD: But according to the hon. member for Renfrew South they are wrong.

THE CHAIRMAN: Order. The hon. member for York South had his say.

MR. MALONEY: But if they get themselves into the hands of a person like the hon. member for York South, they are not going to exist too long.

MR. MacDONALD: Is that right?

MR. MALONEY: If they are going to govern their activities by the advice they receive from the hon. member, then I predict, that great organization of women is not going to give to this province the benefit of their wonderful advice for too long a time, because they will soon be in the position, as is the hon. member, that nobody will want to pay any attention to them.

And that would be a terrible thing to happen to such a wonderful organization of women.

MR. MacDONALD: The hon. member is not paying any attention this afternoon.

MR. MALONEY: But getting back to this little bedroom, 8 by 7, with a toilet and running water with flushes, also with a basin; and the hon. member did not bother to remind the House that there was going to be a drinking fountain in each one of these "cells" that he has referred to.

Maybe he did not know that. No window; of course there is no window; there is a panel through which they can look.

MR. MacDONALD: 6 by 6.

MR. MALONEY: It is 8 by 8.

MR. MacDONALD: 6 by 6.

MR. MALONEY: I grant it might possibly be a little bigger and no harm would be done, but it is not 6 by 6; it is 8 by 8, and if the hon. member will look up his plans, with which he appears to be very conversant, he will see that they measure 8 by 8.

In addition to that, this entire building is heated by the most modern system

of radiant heat that can be found. It is air-conditioned throughout; each one of these rooms is completely air-conditioned, and the air is changed every 6 minutes.

I venture to say that is more frequently than in the case of the home of the hon. member, at least it is in my own home, so I think we cannot find any fault with that.

Regarding the windows outside in the common room, which is a room 60 feet in length by 10 feet 6 inches in width, that is the long common room in which these girls spend whatever portion of the daylight hours they might be out; they are only in the "cell" after dark when it is time to go to bed, and windows in their cells are something that they should not have in any event; these windows about which the hon. member has complained that the window is made of some sort of glazed glass.

MR. MacDONALD: "To obscure the view."

MR. MALONEY: To obscure the view both from the inside and the outside.

MR. MacDONALD: It is too high from the outside anyway.

MR. MALONEY: There are some "peeping toms" in this world, for whom we have introduced a special provision in the Criminal Code, and I am quite sure that nothing would delight such a pervert as to have free and easy access where he could gaze upon everything that goes on inside.

This glass comes slightly above the level of the eyes; I was there and saw it myself, and any child, any girl who is in there who cannot look through the top of it and see God's sky and everything that it contains during the daytime must be blind, because she can see it.

MR. MacDONALD: She cannot.

MR. MALONEY: She can.

MR. MacDONALD: She cannot.

MR. MALONEY: Well, I will leave it to the hon. member for Oshawa and the hon. member for Port Arthur. The 3 of us cannot be blind.

MR. M. B. DYMOND (Ontario): Mr. Chairman, I rise to a point of privilege. I am very sorry but I do not like my riding to be referred to as "Oshawa." It is Ontario.

MR. MALONEY: I am sorry.

MR. DYMOND: Oshawa is represented by such a small group.

MR. MALONEY: The 3 of us cannot be blind and we could clearly see out; everybody, no matter what their height, could see above.

MR. MacDONALD: It is 6 foot 6 inches above the floor.

MR. STEWART: The hon. member is looking down, instead of up.

MR. MALONEY: You can see the sky.

MR. MacDONALD: You can see the sky, but you cannot see the ground or anything, because you have obscured the view, allegedly because of "peeping toms" or some such fatuous excuse.

MR. MALONEY: Or perhaps the reason is that the leader of the C.C.F. might be making an inspection and that is the reason the girls do not want to be visible from outside.

MR. MacDONALD: Back to the barnyard.

MR. MALONEY: There are many things in the barnyard that the hon. member might well familiarize himself with, because while I can see that he is not too familiar with them, the odour is a little bit more familiar than I would care to have it at the moment.

MR. MacDONALD: The hon. member is dishing it out right now.

MR. MALONEY: These people, Mr. Chairman, are being well provided

for; they are being well cared for, and I would suggest to the hon. member and to those well-meaning people with whom he concerns himself, and also to the editors of any of our newspapers who are prone to get down and write an editorial in such matters—

MR. MacDONALD: Including the *Globe and Mail*.

MR. MALONEY: I do not care whether it is the *Globe and Mail* or whatever it might be, any newspaper. I say, wait until we see the finished product, and when the hon. member for York South does that, he is going to really be astounded that he could have been so gullible as to make the statements that he attempted to make here this afternoon.

MR. MacDONALD: You cannot basically pretty up something that is basically ugly.

MR. MALONEY: Well, you cannot basically pretty ugly people, I grant the hon. member that. But the colour scheme of this building is one that has been designed by an outstanding firm of interior decorators and when it is finished I will be glad to go back with him and he may point out the flaws to me at that time. If he is sincere about this matter, and I hope he is, he will do that.

Let us both go at it together, not under our own steam but with somebody else from an opposite party to see it.

MR. STEWART: Will both hon. members come back though?

MR. MALONEY: And if he can then find anything wrong with that product, which is designed entirely for the purpose of rehabilitating girls who are considered by most agencies to be beyond rehabilitation, if he will come there and look at the building from that point of view, I for one would be very much interested if he did not agree that this was, for the purpose for which it

is being constructed, one of the most modern and best buildings for that purpose that can be found on the North American Continent.

At least I am not going to permit myself to be led astray by anyone who is inclined to be a sob sister or anyone who would give these people afternoon tea with a few little cream puffs, when they by their conduct have established that they are people who have committed offences for which they should be punished.

With reference to corporal punishment, I am not going into that aspect of this problem, because I do not feel that I am qualified to speak on it any more than do I think the hon. member for York South is qualified, because I do not think he knows the first single, solitary thing about it.

MR. MacDONALD: When the hon. member for Renfrew South has done as much reading on that subject as I have, he will be in a position to speak on it.

MR. MALONEY: Well, there are some people, Mr. Chairman, who can read, read and read, and by the time they have finished, all they have is a gabfest to mouth out, which means absolutely nothing. If I believed everything I read, I would be the most contradictory character that there is on the face of this earth.

MR. MacDONALD: The hon. member is.

MR. MALONEY: Mr. Chairman, I am not, and the hon. member will find that to be true, the more he gets to know me. Our acquaintance is going to be limited to the duration of this Parliament, because he is not going to be here when this Parliament is over.

MR. MacDONALD: We will see about that.

MR. MALONEY: But let the hon. member get to know me, and he will find that I am not the slightest bit contradictory.

I will speak out when I feel I should speak, I will stick up for the cause which I think should be stuck up for, but I am not going to permit, as long as I am able to draw the breath of life, as long as God gives me the tongue with which to speak, I am not going to permit any man, for the purpose of seeking headlines in the press or anywhere else, to rise and deliberately distort facts which he knows are being distorted by him at the time he is attempting to give them.

MR. MacDONALD: Why does the hon. member question other people's motives? Let him get off his high horse.

MR. MALONEY: The hon. member for York South has questioned the motives of other people very frequently.

MR. MacDONALD: I have differed with their policies.

MR. MALONEY: The hon. member has questioned the motives of people so frequently in this House since I became an elected representative, that only he is right and everybody else is wrong. I can even tolerate what the hon. Minister of Reform Institutions finds it hard to tolerate, although at times I am afraid that index finger on the hon. member's right hand is going to jump off and bounce against the wall over here.

I would just as soon he would stick to the pedagogy than attempt to inflict the will of one who would like to be a demagogue upon the elected representatives of this Legislature and the people who have elected us.

MR. MacDONALD: Deal with the issues.

MR. MALONEY: Hon. members have not come here to believe that everything he says is correct.

MR. MacDONALD: Deal with the issues.

MR. MALONEY: I want the hon. member to deal with the issues, and if he does that,—

MR. MacDONALD: I have.

MR. MALONEY: I have heard bawling calves like that, all they need is a little more milk, and we will get the hon. member that a little later if that is what is required. But the point I want to make is that he or no other hon. member has the right to rise in this Legislature and say: "Because I disagree with the policy, it has got to be wrong."

The people of Ontario have demonstrated to a much more capable leader of the Socialist party than the hon. member for York South ever was or ever will be, in the person of its former leader in this House, Mr. Jolliffe, that they do not believe in his party's policies.

Why should we, when the hon. member enunciates a policy say at this late stage, that suddenly what was wrong has become right, by the manner in which he expresses himself on this and all other topics, the people of this province and certainly of this Legislature are not going to place too much credence in whatever policy he expresses.

I want this House to know that everything I have said on this matter, including my criticism of the hon. member for York South, concerning whom I prefaced my remarks by saying that I would like to give him the benefit of the doubt and to feel that he is sincere about this matter. However, after his exhibition here today I feel that the underlying motive behind the hon. member's entire speech was designed to try to pare down something that we know is good and something which, if given a chance to work, will be the only possible means of rehabilitating a class of our people who at the moment have been given every opportunity and it has been found unsuccessful.

MR. M. B. DYMOND (Ontario): Mr. Chairman, I would like to take this opportunity to add a few words to this debate.

The hon. member for Renfrew South has covered it very effectively and I

feel quite satisfied in my own mind that the hon. members are bound to conclude that his description has been at least a little more realistic as well as more factual (I can state that from experience) than was the diatribe — and I cannot think of any more effective word in the English language to use—poured out by the hon. member who spoke before him.

I had the privilege of visiting this school at Galt, and in connection with it I wish to confine my remarks. I have to admit that I have not the experience with respect to these institutions in any way comparable to the hon. member for York South. I have to admit clearly and to apologize that this is the first such institution I have visited.

I visited it with a completely open mind—if anything I would suggest that my mind may have been a little prejudiced in favour of the adverse criticisms that one reads from time to time and to which one has to listen from time to time. I went with the idea of expecting to find the patients—I should say the inmates, pardon me, I am so accustomed to speaking of patients—

MR. MacDONALD: They are patients.

MR. DYMOND: To me they are patients. Mr. Chairman, would you kindly have the hon. member for York South keep quiet until I am finished, and then he can say what he wants? He leads me astray; he makes me angry.

MR. GISBORN: Well, the hon. member for Ontario spoke while the hon. member for York South was speaking.

THE CHAIRMAN: Order.

MR. DYMOND: And the hon. member for Wentworth also, Mr. Chairman.

I went expecting to find these children disgruntled and dissatisfied and I was most pleasantly surprised to find a group of rather personable young girls. There was not anything about it that

suggested to my mind an institution. When one thinks of institutional patients or persons, one thinks of distinctive or rather obnoxious uniforms.

The girls do wear a uniform—it is a very attractive uniform—it is the sort of uniform that one would expect to find worn by many girls attending private schools.

There were 3 grades of distinction evident and explained to us. The only evidence is a small bow which the girls wear on their blouse collars. There are 3 different colours designating their length of time there, and the merits which have been meted out to them as they go along. The hon. member for Renfrew South and myself spoke to these girls without impediment of anyone else there or anyone supervising or listening to what was being said.

One of the first girls to whom I spoke had just received her green bow, and she was a very happy girl indeed. I rather gathered from that it was a coveted mark of distinction which the girls are very proud to have given to them. We went through the classrooms first and they were just like ordinary school rooms. There was no evidence of fear or oppression or suppression. The girls stood up very politely as we went in; they waited as children in our ordinary school rooms would do until the teacher told them to sit down. The teachers were very obviously in love with their work—and I say that in wonder, and not a little amazement, when I think of some of the things that have been said about them in this House and outside of it.

The children were apparently industrious; they were apparently absorbed in the work before them at the time. From the classroom we went to the gym—and here was another group of girls carrying on just as you would find a group of girls in our public schools; at the time they were learning to play badminton, every one of them contented.

This is the one point I would like to make: not one of those girls occupied in her school room, laundry, beauty

parlour, gym, or the kitchen expressed dissatisfaction or had any complaint to make about discipline or the rules or regulations of the school, or of any member of the staff. The only place where we found dissension or dissatisfaction was in the detention department. It is true the doors were locked, and I frankly find it difficult to understand how the hon. Minister could do anything other than keep the doors locked.

I think there were 5 girls in detention that day and each one there was being punished, and how effective the punishment would be if they were all to be allowed out in a common room, I cannot conceive at all. However, they were locked in and I spoke to 4 of the 5, and 3 of them were violently dissatisfied. They reminded me very much of a sulky child, very much like a child of our own who has been punished, and we go home and find the child ordered to her room and told to stay there until she is prepared to conform with the behaviour of the family.

That is the impression I got from these children. They were caught doing wrong, had been punished, and were not yet repentant enough to say, "I am sorry" and go back into the family circle. I cannot say that about one girl; I was of the opinion that she was mentally disturbed, and Miss Bentley herself felt the same. Miss Bentley felt this so keenly that she had asked the psychiatrist to see this child.

The amazing thing to me after having listened to the outbursts about Miss Bentley last year, I expected to hear at least some of the children say something about Miss Bentley, but there was not one of them expressed any dissatisfaction to me about her.

The girls in the classrooms and the workshops were extremely happy about her, and I can only repeat what the hon. member for Renfrew South has said about her. I have met quite a number of social workers, and while I have not on many occasions been in agreement with them because I thought in many cases they were visionaries and far too

idealistic, I do not believe in all my experience I ever met a social worker as dedicated to her task as Miss Bentley of the Galt institution.

I can only repeat, and I believe it bears repeating by every hon. member of this House over again, that the province of Ontario and The Department of Reform Institutions is indeed fortunate in having such a dedicated person on their staff. I think we seem to lose sight of the fact in relation to this bastille, that it is for the housing of incorrigibles; girls, as already has been said, for whom everything has been tried without avail.

Before the courts found it necessary to send them to Galt, every agency—the home, the schools, the Sunday School, the community, the recreational department and probably many interested parties on the side—had doubtless exerted every effort to reclaim and rehabilitate these children. I want to make it clear also that I do not blame the children. I think if more parents would go through that school at Galt and realize that basically they are responsible for those children being there, I would say at least in 90 per cent. of the cases.

It is the parents' fault that these girls are there to begin with. I remember hearing a magistrate saying in court when he had to sentence a young boy, "I wish to God that I had the parents before me instead of this young boy." I think that is something we need to think about and think very carefully about, Mr. Chairman. I think if parents would resume some of the responsibilities which they have unloaded on any agency who is willing to accept them more and more, we would have fewer boys and girls going to these places and we would have less need for these so-called bastilles, a most disgusting name, and a name that should never be applied to this building at all.

I think it is unfortunate that I and others saw this building before it was completed. I know something of the qualifications of the architect responsible for planning this building. He has

developed a tremendous interest in these correctional institutions in the line of his duty, and has travelled, as we heard, extensively and examined a great many places. He has spoken to a great many people deeply interested and with a great wealth of knowledge concerning penology in all its various stages, as well as to psychiatrists, psychologists and social workers of every stripe.

About these so-called cells or bedrooms, and I think they are rightly called bedrooms, for that is their purpose, they are only to provide sleeping accommodation for the girls. During the day they are out in a long corridor and a large common room, and if they have behaved and have shown that they wish to conform to the pattern and to attempt to benefit from the training afforded by the school, they are allowed to go in the lounge with others of like mind.

This is not a place of human storage. That is not the function of it. I do not believe we should think for one moment that the motto over the door of this building is, "Abandon hope all ye who enter here." The basic function of this building is still reclamation and reformation. Just because the girl has proven herself unable to fit into the pattern of the semi-open training school and the authorities find it necessary to send her to this maximum security block for closer supervision, it is still possible that she may benefit from training which is offered there.

There is one large classroom which is the same as the classrooms in any of our public schools where she may have the benefit of formal public school or commercial education, and I think up to grade 9 or 10 high school training. There are workshops. There is a laundry where the girls will do their own laundry, and there is a well-equipped kitchen, where they can do their own cooking.

I think it is worthy of note that all of these places have been fitted up, the kitchen and laundry, particularly, as domestic establishments. There is no

institutional equipment in them, whatsoever. The kitchen stove will be such as we have in our own homes.

The washing machine will be a domestic machine so that when the girl learns to use these things, she will derive some benefit from them and will learn how to become skilful in the use of equipment which she will find when she is finally released to take her place in society again.

I have high hopes that the type of equipment provided for these girls in this institution will be of considerable help in reclaiming some of them who are not now capable of being reclaimed. Somebody said the building was 100 years behind its time before it was finished.

Here is a statement of one of our well-known authorities in penology:

The building is modern and is, indeed in advance of its time and as of this time it has no equal on the North American continent.

MR. MacDONALD: Who said that?

MR. DYMOND: There was one other thing—

MR. MacDONALD: If he is so well known, who is he?

MR. DYMOND: I do not like mumbly. In last year's *Hansard* at pages 138 and 139 the hon. member for York South mentioned some girls with whom some trouble had been experienced, and that the hon. Minister of The Department of Reform Institutions was at fault.

One was the case of a girl who could not conform and that girl did settle down very nicely at Mercer Reformatory. I have learned only recently, this girl has been examined by 5 independent psychiatrists, every one of whom states that psychiatric treatment will be of no assistance to the girl as she is not mentally ill.

The other girls, mentioned on page 139 of *Hansard*, were not released to a couple who believed they should not be in the Galt school. This couple asked that these sisters be released in their custody.

This is what the prospective guardians wrote of Miss Bentley who was in charge at that time:

She at once began to make cruel remarks and to remind them that they were beginning another "six months stretch." She was so brutal that we were shocked and had to leave them broken-hearted.

To make a long story short, these two girls were released to these people who were so shocked at Miss Bentley's treatment.

One of the sisters was released at Christmas, 1955, in the care of the foster parents who had asked to have her released to their care. At their own request she was taken away again in August, 1956.

The second sister, for whom these foster parents thought they could do something, and I feel they deserve a great deal of credit for their high hopes and intentions, was released to their care in June 1956.

She was sent to school. The foster parents have already asked to have her taken back as they will not be able to keep her after June of this year because they can do nothing with her.

We must remember that these children are not sent to these places because they are going to a private boarding school or something of that sort; while I do not think they are sent for the purpose of punishment but neither do I agree that the methods used by The Department of Reform Institutions are basically punitive. I think that charge is basically and entirely wrong.

Mr. Chairman, I said it before and I must say it again, there are times when a paddle on the place that nature provided does a great deal of good and has a salutary effect. I do not think,

as I was once credited with saying, that this is a solution to all our troubles. I do not think so.

But I do think it does a great deal of good and does not do any harm. In many cases it has a salutary effect and prevents boys and girls getting into trouble. This is a correctional institution and we have to bear in mind discipline is necessary for all of us if we are going to face the problems of life and if some need more stringent discipline than others it is only a discrepancy of nature.

While I would not suggest everything at the Galt institution is perfect but, to a novice, it seemed to be an extremely well-operated institution and that the great majority of the inmates were, apparently, benefiting from the programme designed to help them face life in the large body of society.

MR. G. C. WARDROPE (Port Arthur): I had hoped not to delay this debate because it is getting late but I must concur with what the hon. member for Renfrew South and the hon. member for Ontario have said. Last year I was subjected to a barrage of chicanery and circumlocution about reform institutions and I could not properly answer because I did not have any information that was worthwhile at that time. I agree that reform institutions are not all sunshine.

On the other hand, they are not the cruel and callous institutions we are led to believe. On Friday I was at the Galt training school, which is one, I think, of which we can be very proud in the whole field of reform institutions and certainly it is anything but cruel or callous. They are beautiful buildings. We went in and saw lovely little girls, so clean, so well dressed and so beautiful that when my mind went back to the fact that they were in there, in an institution, it brought tears to my eyes and a lump to my throat because they looked like the daughter of any hon. member in this assembly—beautiful little girls.

We went into their classrooms where they learn to sew; they were wearing dresses they had made. We went into classrooms where they learn to type and are taking up bookkeeping. We went into the auditorium and saw these girls playing badminton. This was not planned for us. This is the usual way this institution is run.

Being an old quartermaster, myself, I made a dive for the kitchen and grabbed a diet sheet. Mr. Chairman, I am going to tell you, no wonder those girls looked healthy and well because they are fed very well, indeed.

I looked into their bedrooms; beautiful bedrooms with a double bed and a nice bright bedspread, and in the beds I saw dolls and teddy bears. Does that sound like a bastille? Does that sound like a home?

The discussions that we had last year and this year about these reform institutions have only tended to make people fearful of these institutions. Many people in Galt, when I told them I had been there, said, "Is that institution as bad as I think it is?" I think that impression can be attributed to the remarks of the hon. member for York South and the publicity of the newspapers so that the people of Ontario are concerned about these institutions.

I wish these people could see them; they would then have a very different impression than what the hon. member for York South has tried to give them through the remarks he has made in this assembly where he is an hon. member and where he can say anything he likes without fear of being called to account.

You have heard two previous hon. members say what a wonderful woman Miss Bentley is. She has spent her entire life in this work. I asked her how she managed to get into this work and she said she always had an interest in social service.

She has educated herself as far as she possibly can go in this science and those children love Miss Bentley. I

have seen the way they have acted. She in turn calls them "Dear." We were taken to Miss Bentley's house for lunch, we were waited upon and the food was cooked by these lovely little girls who were nicely dressed. The hon. member for York South is smiling, but he would have hon. members think this woman is an ogre, that she has these children fearful and that is far from the truth.

While we were there the Moderator of the Presbyterian Church was there for lunch with us with many other notable men and it was a treat to sit there and see these lovely little girls eat with us. They are being taught deportment and how to carry on. Last year hon. members will remember the tirades we listened to, but I personally know many of the inmates who have said to me, "I guess the hon. member for York South got a lot of letters from men and women in every institution in the province." I said, "I suppose so."

This one inmate said to me, "Well, he should have because every one of us wrote him 5 or 6." I said, "That is fine."

MR. MacDONALD: What institute is that?

MR. WARDROPE: You know the one.

MR. MacDONALD: If it was at the head of the lakes I can tell you that I received two or three from the head of the lakes just to show you how much truth there is in what you are saying. You are making it up as you go along.

THE CHAIRMAN: Order.

MR. WARDROPE: One of these men showed me the letter he had written. He kept a copy of it, and I said, "That is not true." He said, "I know it is not true but he will have a lot of fun with it and give us all a lot of fun." That is the kind of thing the hon. member for York South is repeating in this House, a lot of chicanery and circumlocution.

I think the hon. member for York South should publicly apologize to Miss Bentley and when he thinks of the calibre of the man who is the hon. Minister of Reform Institutions in this province and his deputy minister, his psychiatrists and others in this department, Mr. Chairman, I would not give the hon. Minister my little finger for all of the things that the hon. member for York South will accomplish in this House during his whole life which I hope will not be long.

MR. MacDONALD: Is this a threat?

HON. MR. PORTER: His political life.

MR. MacDONALD: You should correct it.

MR. WARDROPE: I did not mean what I said, I meant the hon. member's political life in this House. I would like to say that we have been entirely misled and I do not think it is fair for the hon. member for York South to rise and say what he has said about The Department of Reform Institutions. I entirely disagree with him and I want the people of this province to know that the stories he is giving them are not true.

We talk about the security building and I agree thoroughly with the hon. member for Renfrew South and the hon. member for Ontario. I do not know whether they mentioned about the sewing rooms and the manicurist rooms and the laundry. The manicurist rooms give these girls hair-dos, manicures and facials to try and instil in them a pride in their appearance and they are taught that so that when they get out they will have it at their fingertips.

Do not forget that these girls have been in many foster homes, they have finally found it necessary to put them in the training schools. They do run away, that is one of the difficulties, and when they run away they get into trouble. This does injury to themselves and everybody else and reform institu-

tions are carrying out a great scheme to try and salvage these little girls from a life that is unthinkable. It is a great idea and a great plan and the institution at Galt is one of which we can be proud and that includes the superintendent Miss Bentley who is a wonderful woman.

I very seldom go along with anything that the hon. member for York South says, sometimes I do, but as far as reform institutions are concerned I repeat that he has given you a full report of nothing but chicanery and circumlocution.

Vote 1,903 agreed to.

MR. R. GISBORN (Wentworth East): Mr. Chairman, I would like to ask a question on item No. 5 of vote 1,901, prisoners' rehabilitation expenses. Could we have an explanation on that as to how broad it is? What I have in mind is injuries and that sort of thing while they are inmates, has it anything to do with that?

HON. MR. FOOTE: Prisoners' rehabilitation, what was the question?

MR. GISBORN: I would like it explained how broad the coverage is for rehabilitation. Is that just for release?

HON. MR. FOOTE: It would not all fall in that item. That is for cash which is given out so they can get board and lodgings and buy tools and things like that.

MR. GISBORN: I have a case and I cannot find the spot to bring it up and I might as well bring it up on this one: those inmates who may be injured while on a job in one of the jail farms, I would like to know something about that.

I have a couple of questions here. What happens if they are still incapacitated on release and might be confined to bed from injuries received in occupation?

HON. MR. FOOTE: Mr. Chairman, I know the hon. member is interested in these cases. He has spoken to me of one case which happened in Guelph. The department has not any legal responsibility for giving compensation but what we have always done is to view every case on its own merits.

The last expenditure we had at Guelph was where a man was operating a machine with an approved and inspected safety device which broke through metal fatigue and his own unusual resistance to it and he lost part of his hand. Obviously he was doing our work, we had protected him with the approved device, yet I felt that that should be considered as a regular compensation board case.

What we do is: we buy a number of bonds and put them at the disposal of the Workmen's Compensation Board. This man has his injury assessed on the basis of any other workman and we provide the bonds to cover the payments to him.

MR. GISBORN: I have a case where an inmate has been released and he could not get his job back because of the injury. Does he estimate the claim or is that done for him?

This was done with a boning knife; he is in a butcher shop or slaughter house and he cut the tendons of two fingers and they are useless and he came out that way. Does he have to make a claim or is this followed up at the time of release?

HON. MR. FOOTE: Actually we negotiate the start of it in any case that I have known. I think if a man's rehabilitation is affected in any way by injury, we should try to do something to help him. We do a lot of surgical proceedings to help them. I had one letter of bitter complaint from a man who had been in the institutions and needed surgery and he said that no doctor would see him and the nurses had nothing to do with him, and all that kind of thing, and here he was put out in bad shape.

I looked up his file which is very large and I found in the institution we had spent about \$750 on surgery to get him fit when he left the institution. The doctor made arrangements with the doctor where he lived to get a hospital bed for him because he thought the man might need treatment—the man will probably die at an early age because of his disability—but the doctor reported to us what happened. He kept the bed and the man did not turn up. Then 6 months later he sends this letter.

We have a lot of those situations and I am sure any of you who have letters from prisoners are going to have this difficulty, but we do our best with them and I think we are fair.

MR. GISBORN: What is the extent of this type of thing? Have you an infirmary at Guelph, and what is the capacity of it? How many would be laid up on an average from injuries?

HON. MR. FOOTE: I could not tell you that without getting a report, but I have never seen more than half a dozen people in there.

If there is something serious we might take them outside altogether but the whole thing is left pretty well to the compensation board which assists us in making the right turn. I would be glad to look into any individual case.

HON. MR. FROST: Mr. Chairman, I move that the committee do now rise and report certain resolutions.

The House resumed, Mr. Speaker in the chair.

MR. C. E. JANES: Mr. Speaker, the committee of supply reports it has come to certain resolutions and begs leave to sit again.

Motion agreed to; report adopted.

MR. SPEAKER: It now being 6.00 of the clock I do now leave the chair.

It being 6.00 of the clock, the House took recess.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, March 25, 1957
Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Monday, March 25, 1957

Nursing Act, 1951, bill to amend, reported.....	1537
Private Hospitals Act, 1957, bill intituled, reported.....	1537
Local Improvement Act, bill to amend, reported.....	1537
Fire Guardians Act, bill to amend, reported.....	1537
Public Utilities Act, bill to amend, reported.....	1537
Medical Act, bill to amend, reported.....	1537
Municipal Drainage Act, bill to amend, reported.....	1537
Assessment Act, bill to amend, reported.....	1537
Mothers' and Dependent Children's Allowances Act, 1957, bill intituled, reported.....	1538
Fire Marshals Act, bill to amend, reported.....	1538
Old Age Assistance Act, 1951, bill to amend, reported.....	1538
Disabled Persons' Allowances Act, 1955, bill to amend, reported.....	1538
Blind Persons' Allowances Act, bill to amend, reported.....	1538
Training Schools Act, bill to amend, reported.....	1538
Conservation Authorities Act, bill to amend, reported.....	1538
Planning Act, 1955, bill to amend, reported.....	1539
Telephone Act, 1954, bill to amend, reported.....	1539
Dog Tax and Livestock Protection Act, bill to amend, reported.....	1539
Brucellosis Act, 1956, bill to amend, reported.....	1539
Junior Farmer Establishment Act, 1952, bill to amend, reported.....	1539
Labour Relations Act, bill to amend, reported.....	1539
Industrial Standards Act, bill to amend, reported.....	1539
Department of Labour Act, bill to amend, reported.....	1539
Public Vehicles Act, bill to amend, Mr. Allan, second reading.....	1539
Public Commercial Vehicles Act, bill to amend, Mr. Allan, second reading.....	1539
Housing Development Act, bill to amend, Mr. Nickle, second reading.....	1540
Resumption of the debate on the budget, Mr. Wren, Mr. Gisborn, Mr. Lyons.....	1540
Motion to adjourn debate, Mr. Johnston (Carleton), agreed to.....	1565
Child Welfare Act, 1954, bill to amend, Mr. Cecile, second reading.....	1565
Change of Name Act, bill to amend, Mr. Roberts, second reading.....	1565
Surrogate Courts Act, bill to amend, Mr. Roberts, second reading.....	1565
County Judges Act, bill to amend, Mr. Roberts, second reading.....	1565
Gordon William Innes, M.P.P., bill respecting, Mr. Roberts, second reading.....	1565
Financial Administration Act, 1954, bill to amend, Mr. Porter, second reading.....	1565
Statute Labour Act, bill to amend, Mr. Allan, second reading.....	1565
Legislative Assembly Act, bill to amend, Mr. Roberts, second reading.....	1565
Motion to adjourn, Mr. Frost, agreed to.....	1566

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER
Roderick Lewis, Q.C., Clerk

MONDAY, MARCH 25, 1957

8 O'CLOCK P.M.

The House resumed.

Hon. D. Porter (Provincial Treasurer) moves that the House resolve itself into committee of the whole.

Motion agreed to.

House in committee of the whole, Mr. C. E. Janes in the chair.

THE NURSING ACT

House in committee on Bill No. 100, An Act to amend The Nursing Act, 1951.

Sections 1 to 6, inclusive, agreed to.

Bill No. 100 reported.

THE PRIVATE HOSPITALS ACT

House in committee on Bill No. 127, intituled The Private Hospitals Act, 1957.

Sections 1 to 27, inclusive, agreed to.

Bill No. 127 reported.

THE LOCAL IMPROVEMENT ACT

House in committee on Bill No. 131, An Act to amend The Local Improvement Act.

Sections 1 to 11, inclusive, agreed to.

Bill No. 131 reported.

THE FIRE GUARDIANS ACT

House in committee on Bill No. 132, An Act to amend The Fire Guardians Act.

Sections 1 to 4, inclusive, agreed to.

Bill No. 132 reported.

THE PUBLIC UTILITIES ACT

House in committee on Bill No. 133, An Act to amend The Public Utilities Act.

Sections 1 to 4, inclusive, agreed to.

Bill No. 133 reported.

THE MEDICAL ACT

House in committee on Bill No. 135, An Act to amend The Medical Act.

Sections 1 and 2 agreed to.

Bill No. 135 reported.

THE MUNICIPAL DRAINAGE ACT

House in committee on Bill No. 142, An Act to amend The Municipal Drainage Act.

Sections 1 to 3, inclusive, agreed to.

Bill No. 142 reported.

THE ASSESSMENT ACT

House in committee on Bill No. 144, An Act to amend The Assessment Act.

Hon. Mr. Porter moves that the bill be referred to the committee on municipal law for reconsideration.

Motion agreed to; Bill No. 144 referred to committee.

THE MOTHERS' AND DEPENDENT CHILDREN'S ALLOWANCES ACT

House in committee on Bill No. 90, intituled The Mothers' and Dependent Children's Allowances Act, 1957.

Sections 1 to 16, inclusive, agreed to.
Bill No. 90 reported.

THE FIRE MARSHALS ACT

House in committee on Bill No. 104, An Act to amend The Fire Marshals Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 104 reported.

THE OLD AGE ASSISTANCE ACT

House in committee on Bill No. 105, An Act to amend The Old Age Assistance Act, 1951.

Section 1 agreed to.

On section 2:

MR. R. WHICHER (Bruce): Mr. Chairman, I wonder if I may ask the hon. Minister of Public Welfare (Mr. Cecile) a question on that bill? Does that mean now that this \$46 a month that the people from 65 to 69 years of age will receive, that the province is paying \$23 and the federal government \$23; is that correct?

HON. MR. CECILE: It is on a 50 per cent. basis, that is right.

MR. WHICHER: That will be starting on July 1st, with the federal legislation.

HON. MR. CECILE: That is right. That will simply enable us to go along with that.

Sections 2 to 6, inclusive, agreed to.
Bill No. 105 reported.

THE DISABLED PERSONS' ALLOWANCES ACT

House in committee on Bill No. 106, An Act to amend The Disabled Persons' Allowances Act, 1955.

Sections 1 to 5, inclusive, agreed to.
Bill No. 106 reported.

THE BLIND PERSONS' ALLOWANCES ACT

House in committee on Bill No. 107, An Act to amend The Blind Persons' Allowances Act.

Sections 1 to 5, inclusive, agreed to.
Bill No. 107 reported.

THE TRAINING SCHOOLS ACT

House in committee on Bill No. 88, An Act to amend The Training Schools Act.

Sections 1 to 6, inclusive, agreed to.
Bill No. 88 reported.

THE CONSERVATION AUTHORITIES ACT

House in committee on Bill No. 109, An Act to amend The Conservation Authorities Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 109 reported.

THE PLANNING ACT

House in committee on Bill No. 110,
An Act to amend The Planning Act,
1955.

Sections 1 to 4, inclusive, agreed to.

Bill No. 110 reported.

THE TELEPHONE ACT

House in committee on Bill No. 120,
An Act to amend The Telephone Act,
1954.

Sections 1 to 6, inclusive, agreed to.

Bill No. 120 reported.

THE DOG TAX AND LIVESTOCK PROTECTION ACT

House in committee on Bill No. 121,
An Act to amend The Dog Tax and
Livestock Protection Act.

Sections 1 to 6, inclusive, agreed to.

Bill No. 121 reported.

THE BRUCELLOSIS ACT

House in committee on Bill No. 128,
An Act to amend The Brucellosis Act,
1956.

Sections 1 to 6, inclusive, agreed to.

Bill No. 128 reported.

THE JUNIOR FARMER ESTABLISHMENT ACT

House in committee on Bill No. 129,
An Act to amend The Junior Farmer
Establishment Act, 1952.

Sections 1 to 9, inclusive, agreed to.

Bill No. 129 reported.

THE LABOUR RELATIONS ACT

House in committee on Bill No. 137,
An Act to amend The Labour Relations
Act.

Sections 1 to 14, inclusive, agreed to.

Bill No. 137 reported.

THE INDUSTRIAL STANDARDS ACT

House in committee on Bill No. 138,
An Act to amend The Industrial Stand-
ards Act.

Sections 1 to 4, inclusive, agreed to.

Bill No. 138 reported.

THE DEPARTMENT OF LABOUR ACT

House in committee on Bill No. 140,
An Act to amend The Department of
Labour Act.

Sections 1 to 6, inclusive, agreed to.

Bill No. 140 reported.

Hon. Mr. Porter moves that the com-
mittee rise and report certain bills with-
out amendment.

Motion agreed to.

The House resumed, Mr. Speaker in
the chair.

MR. JANES: Mr. Speaker, the com-
mittee of the whole House begs to report
certain bills without amendment, moves
their adoption, and asks for leave to sit
again.

Motion agreed to; report adopted.

THE PUBLIC VEHICLES ACT

Hon. J. N. Allan moves second read-
ing of Bill No. 148, "An Act to amend
The Public Vehicles Act."

Motion agreed to; second reading of
the bill.

THE PUBLIC COMMERCIAL VEHICLES ACT

Hon. Mr. Allan moves second reading
of Bill No. 149, "An Act to amend The
Public Commercial Vehicles Act."

Motion agreed to; second reading of
the bill.

THE HOUSING DEVELOPMENT ACT

Hon. W. M. Nickle moves second reading of Bill No. 150, "An Act to amend The Housing Development Act."

Motion agreed to; second reading of the bill.

THE BUDGET

MR. A. WREN (Kenora): Mr. Speaker, in rising to take part in the debate on the budget, I am a little confused after what took place in this House this afternoon, but I do not think it will materially affect what I have to say.

First of all, I would like to compliment the hon. Provincial Treasurer (Mr. Porter), for the very able presentation of the budget for the next fiscal year in this great province, and to express some appreciation for the appraisal he gave this House of what the province might expect in trends in the future years.

It is in this assessment of the future that I detect an area of some disagreement, for somehow, to me at least, it reflects in application the feeling that some pessimism has crept into the picture and the nature of the pessimism has brought about some rather astounding developments in thinking and in taxation.

First, I would broach some comment on a matter raised by my colleague, the hon. member for Waterloo North (Mr. Wintermeyer) the other day in his reference to treatment of opinions by the press in the province. I might say that I have every respect for a newspaper which takes a stand and expresses a political philosophy or belief. I express approval to all those newspapers which remain independent, but in no way neutral.

There is however, a dangerous tendency today to stray away from expression of opinion on the editorial page where it properly belongs and produce editorial thinking with the headlines and the news items. This to me is gradually becoming not freedom of the press as we

know it, but rather, in some instances at least, licence of the press—licence to slant the news to express an approval or disapproval of an action or a theory. It is significant that one newspaper when challenged to public debate declined to accept even without any further explanation, when both editorial and news references were not correct.

I do feel that, if necessary, some steps be taken for editorial opinion as such, but that news items should and must remain factual news. There are other newspapers which print what they choose to print, and ignore what they choose to ignore, even though the treatment of the news may be the very information the citizen may require in order to elect or reject a candidate to public office.

It becomes singularly difficult when so many papers in provincial and federal elections choose to give many of those in office with respect to the old spirit of factual journalism and spread detrimental comment.

Without being too inconsistent, I was concerned that the press gallery the other evening might fully report the remarks of the hon. member for Port Arthur (Mr. Wardrope) who preceded me in this debate and his comment reach the Rt. hon. C. D. Howe, who might conclude that "gas" was already reaching Port Arthur in ample quantities, thus removing the need to construct the pipe line through northwestern Ontario to the Head of the Lakes.

The hon. member for Port Arthur is a distinguished orator, and more eloquent in the presence of the Rt. hon. Mr. Howe, when he states "and it might be understood that the Rt. hon. member for Port Arthur (Mr. Howe)" is "the type of man who has done more for Canada and for the Lakehead than any man in public life," while the other night in this House, the hon. Mr. C. D. Howe was a man described as being incapable of determining the feasibility or otherwise of building aircraft and as being a part of the Frankenstein monster at Ottawa.

I am a little afraid Port Arthur will be accepting eulogies of the leaders of

the Ontario government with the same grain of salt as those of Ottawa.

To return to the subject matter of the budget, let me say this: it seems that thinking has developed somewhere in the government that the boom is over, that a decline looms, and increased taxation must now take the place of natural increase in income. Expansion in industry and increase in wages must cease, they seem to think, and to effect that thinking, more and more of the profits of industry, and especially industry associated with our natural resources, must be taken away and processed through government for the good of the people.

This strange paradox develops—that it is the very thing that the CCF and the communists have been telling us ever since this administration was elected. It seems that, gradually, perhaps through the daily din of repetition, that that thinking has finally stepped into the very heart of this government.

In plain and simple English it now appears that the government and the CCF are in complete agreement on one theory of the CCF that the product of man's efforts and the productivity of our resources are best processed to the people through the state; and there seems to be a feeling in the government here that if the people of Ontario really want socialism, then the place to get it is through the "Frost government" and not through the CCF at all.

It appears that the government is embarking on a programme that is more confiscatory than even the CCF could devise, and, lo and behold, the twain have met.

The government submits that it is better to process the product of industry through the government, where the costs of administration and the returns are much more economical, than through private enterprise and the bargaining table of the trade unions. We know that to be untrue; the government knows that to be untrue, and yet this policy is shaped.

Therefore, it is our duty to inform this House that the Liberal party in this

House and across the province stands foursquare in the path of socialism in Ontario in any form, and, to paraphrase the hon. Prime Minister (Mr. Frost), we stand within the 4 corners of freedom of enterprise.

Ontario does not want socialism. I think that has been demonstrated many times. Ontario will not accept socialism, and we will continue in the future, and in the spirit of former responsible governments in Canada, to prevent it ever happening here. We do not know who is steering the steam roller, the government or the CCF, but we do know that they are combining the horse power, or the other productivity of the horse, to flatten individual and private enterprise in this province.

It is, indeed, a strange marriage. Responsible people in industry and labour are getting around to harmony and to greater things through the medium of bargaining contracts, and we, in the Liberal party, are going to do everything we can to enhance that great ideal, leaving each that necessary freedom of action with a minimum of state interference, either in their bargaining or in their individual capacities to expand.

Does the state know better than the worker what are his hopes and desires? Does the state know better, or is there any part of government which can supersede business and industry in their ability to run their business? We say, with the greatest emphasis of which we are capable, that it would be better if there were more men of industry in government, and with that conclusion hon. members would in all honesty have to agree.

Yet, look at *Hansard*. Look at the voting in *Hansard* in recent days. The ghost of Sir John A. MacDonald and of all the great men of that great political party must be trembling at the spectacle of this once great party joining forces with a party which never has, and never will, attain office in this great province except through a coalition with a party which calls itself Progressive Conservative.

Even John Bracken must shudder at times when he reflects upon what the adjective "progressive"—which was his own idea—has done to this party in its thinking.

Mr. Speaker, as an example of that, let hon. members look at just one section of Ontario, and that is, again the north-west of Ontario, where, in the face of promises and confidences of the government's leader—promises that taxation on logging would remain at its present base, and assurances, if any, that there might be reductions, the pulp and paper industry embarked on a great expansion programme at Fort Frances, Kenora, Dryden and at the Lakehead. Many millions of dollars were borrowed to expand the industry. Many more dollars were earmarked for forestry management and the industries associated with it, and other possibilities in the Hearst area.

Then, suddenly, and without warning, and without consulting with the committee appointed to advise the hon. Minister of Lands and Forests (Mr. Mapledoram) and the government, the logging tax is increased. Is The Department of Lands and Forests operating in an area where costs exceed revenue? No, it is not, not even with substantial increases in staff and in services to the industry; not even the cost of research and investigation which is, to a large degree, theoretical and experimental; not even in the extra fire-fighting costs exceeding an unexpected \$4 million.

Why? Simply because the expansion of industry, under a somewhat favourable umbrella of taxes and charges, provided the additional revenue necessary without increases from corporation or local tax schedules. The government suggests that it would cost the industry an additional \$1 million in local taxes. Actually, forestry tax experts predict an increase of several million dollars and not one of \$1 million as set out in the budget.

The same estimates do not predict an extra tax or an increase in corporation tax. "Charge it up to income tax",

says the hon. Provincial Treasurer. At best only half the amount is recoverable by charging it as an expense item. The same "estimate" does not take into account new taxes on gasoline and diesel fuel for stationary power, for tractors, for trucks, for aircraft and the many operations requiring these products.

The "estimate" does not take into account regular bargaining contracts with labour which, in the face of rising living costs, can only be projected upwards.

The "estimate" does not take into account industry's obligation to charities and the universities. In fact, we suggest that the only assessment made was one that said: "Here is our chance to grab some more money before labour gets it and before it is gobbled up in expansion programmes."

I say the government has done a great dis-service to the logging industry and everyone associated with it. I believe that the investor is going to lose confidence in an industry which cannot have some assurance of projected planning under reasonable charges both in scope and in time.

Only this morning 9 members of the industry met with the hon. Provincial Treasurer and his experts, and I think those people were able, I hope, to convince the hon. Provincial Treasurer that, at best, the increase in logging tax and the forest industry at this time is not a good thing.

The foreign competition, despite some assurances we have from certain sections of the industry, is becoming serious. Competition in that field is deepening. We know that we are going to have a recession in the building industry as time goes on, and it seems folly to me that in order to take revenge on Ottawa, the government of the province of Ontario should take it out of the industries associated with natural resources.

I believe that it will increase the price of newsprint to Ontario newspapers, and I assure hon. members the price is high enough at the present time. It is

going to reduce some of the long-term research programmes of the industry itself; it is going to reduce the dividends; and it is going to reduce the value these profits would have at the bargaining table. There are thousands upon thousands of tradesmen who are anxiously awaiting the government's final decision on this, as is the industry itself.

The industry itself across north-western Ontario, both in the trades and in the management itself, has been complaining about this projected action. As an example of one I would now read into the record of this House a telegram I received from the Ontario and Minnesota Pulp and Paper Company, from the office of the vice-president and general manager, in which he says as follows:

WE REQUEST YOU, AS THE MEMBER OF PARLIAMENT FOR THE KENORA DISTRICT, TO STRONGLY PROTEST THE PASSAGE OF BILL NO. 114, AN ACT TO AMEND THE LOGGING TAX ACT. WE, TOGETHER WITH OTHER MEMBERS OF THE INDUSTRY IN THE PROVINCE OF ONTARIO, WANT TO HAVE THE OPPORTUNITY OF APPEARING BEFORE AN APPROPRIATE GOVERNMENT BODY FOR THE PURPOSE OF STATING THE REASONS FOR OUR PROTEST. WE CONSIDER THE BILL PROVIDES AN UNREASONABLE INCREASE AND IS DISCRIMINATORY TO THE FOREST INDUSTRY.

I would appeal to the hon. Provincial Treasurer, after the representations made to him this morning, that he reconsider action in the matter; and I can assure him in all due sincerity that the trade unions in the paper mills of my area share the same view.

MR. MacDONALD: Any telegrams?

MR. WREN: The hon. member for York South can let me make this speech. I will deal with him a little later on.

I want to take a little time to deal with one of the industries associated with natural resources. Let us take a

look at the mining industry. The hon. Minister of Mines (Mr. Kelly) asks this House for an additional \$214,000 to service the industry.

To raise this amount of money, the government slaps on tax increases which will take away \$9 million and more. Despite the assurances of the hon. Provincial Treasurer, it will affect the gold mines and it is going to impose a heavy additional burden on nickel and copper, in the face of the declining copper prices, on iron mines and the like.

We know the government looks with some disfavour on the operations of the International Nickel Company of Canada. We know the government feels disposed to grant more aid to municipalities in and about Sudbury and charge it up directly or indirectly to that company.

Instead of penalizing the entire mining industry, could the government not simply amend The Assessment Act and permit those municipalities to deal directly with that company? Those people reside there. They are municipal officials. They are fully aware of their needs and many of them work for the same company. They own homes and businesses that are directly affected and are well able to work out their difficulties on the ground with company officials.

I would suggest the company and the municipalities be left to settle their difficulties under proper legislation but, for goodness sake, let this government not, at the cost of provincial collection and administration, create a situation which will only return a portion in the end, at a later date, to these municipalities.

The same holds true in the uranium fields. Give them a chance to get into full production, and the government will find the present levels of taxation will provide greatly increased revenues. Royalties from Steep Rock mines alone will increase production and bring additional properties into production.

On the face of it this does not seem too serious, but let hon. members reflect for a moment on the tax and charges in other jurisdictions and I do not think it

requires a vivid imagination to see that the increased charges in Ontario will only lead to accelerated development programmes elsewhere; and it is not without possibility that operations could be slowed down in Sudbury, Blind River, Manitouwadge and in the Steep Rock areas if the present tax charges are more productive elsewhere.

After all, the public acceptance of the agreement to "gouge the corporations" will be reflected in the cash register totals at the level of local business across the province. What effect will it have on exploration?

As we are discussing these measures, this very evening, already companies are suspending the field work in Ontario and heading for Ungava where there is not only a bright possibility of mineral occurrence but where taxes will make for a brighter risk at the early stages of production.

We do not desire that any company or group of companies should obtain a preferred position. The present unequivocal arrangement might work if we had universal control of our economy, but the province of Ontario does not possess that jurisdiction in the economy of this country but only has the power to discourage investment in Ontario.

I say we should leave it alone until the times demand these increases; demands which will, at least, include some of the other jurisdictions and reflect in somewhat equal charges.

The province of Saskatchewan is promoting a great drive for new industry and actually providing money, free services, to the corporate mining industry. They have a great incentive in that they do not apply one cent of corporation tax. To fall for this CCF trap and support them to the ultimate injury of "Old Man Ontario" is, to the people of Ontario, unthinkable.

I would refer to an article in the *Globe and Mail* of March 23rd. There is an extensive article headed "Saskatchewan Beckons to Industry" by E. N. Davis. They are urging, in that article—I will

read the concluding paragraph to emphasize what I suggest:

Never before has Saskatchewan witnessed such an all-out drive for new industries. One reason, perhaps, is that the government believes that manufacturing is going to surge forward in the west. Another certainty is the need of alternative non-agricultural employment if labour, being displaced by farm machinery, is to be retained in Saskatchewan.

The article goes on to detail the advantages of locating in that province and, of course, the underlying advantage they have to offer is their lack of a corporation tax of any kind in the province.

MR. MacDONALD: The resources tax will more than make up for it.

MR. WREN: I will not labour our objections to the increase in fuel tax, except to make what I think are two or three rather important observations. Ontario is the only jurisdiction in Canada, in fact in North America, where the tax on diesel fuel is more than 100 per cent. of the cost of the product. I would suggest it is confiscatory taxation in the extreme, and Ontario is the only jurisdiction where, after the taxes on the product are applied, the differential is more than two cents a gallon.

Ontario is the only province in Canada where the manufacture of diesel engines and allied equipment engages so much capital investment and employs so many people, for example 300 in the little city of Owen Sound.

I ask what will happen to this industry in a province where one department spends public money to encourage new industry, while another department of government imposes taxation which tends to destroy that industry? Where is the co-ordination? In this province, we have a provincial cabinet larger in number, for 5 million-odd people, than the federal cabinet which governs over 16 million people. Yet there appears to

be a total absence of co-ordination of reality.

At today's rate of wages, those 300 people will produce a payroll of well over \$1 million each year, and that is only in one town. Yet to arbitrarily enforce a policy of government to collect an additional \$1 million, which is not needed, that payroll is placed in jeopardy and would certainly require many hours of time and many dollars of expense in the trade and industry branch of The Department of Planning and Development to replace it. Yet we seek to destroy an established plant with wishful thinking, notwithstanding the fact that arbitrary tax increases might have a negative effect on those who are considering other capital investment in any channel of industry in the province.

The hon. Minister of Planning and Development (Mr. Nickle), I suggest, might well assert some independence here and inform hon. members of some of the facts of life. If he seeks to make his mark in his party and in Ontario, here, I suggest, is a good place for him to assert himself.

And in referring to that increase in tax on diesel fuel and the effect it is having, I think every hon. member of this House was mailed a clipping from the *Globe and Mail's* financial page of March 22nd, an article headed, "Ask Time to Die" wherein it relates the problems of the trucking industry associated with the diesel units and the effect the increase of this tax is going to have upon that industry in particular.

I would point out, and I have stated before in this House, that it is time we took some action to remove the box-cars from the highways and put them back on the railways where they belong. I was speaking then, and I repeat, I am concerned, and remain concerned about the size of the trucks and trailers travelling on these highways. I think there should be a limit to their size.

But there are many diesel units operating on the highways of Ontario today which are well within the same sensible limits of gasoline-operated

units which are going to feel a terrific impact from the imposition of this tax.

The government might well ask, and I think might properly ask: "What other sources of taxation might we tap, if the need for additional taxation develops?" The suggestion I am going to make is a rather extraordinary suggestion, but one which I advance in all seriousness and for reasons I will outline.

I suggest that we apply the form of corporation tax to the Ontario Hydro-Electric Power Commission. In doing this, I do not say to apply the tax itself, but the rate of tax, which will provide some return, more than equivalent to the increase now proposed, and place Hydro in this desirable position:

It would compel that commission to show some results for the great investment Ontario has in this enterprise and force that corporation — which it is — to demonstrate its ability to operate as efficiently as private enterprise might operate in the same field.

There is a great deal more concern about Hydro in this province than might meet the eye. It is all very well to say that the committee on government commissions will deal with questions and problems, but that committee is so limited in time, has little or no information at its disposal, and this year was faced with a new chairman who admitted he was just learning his job.

Mr. Duncan, we feel, is an outstanding man who will bring a lifetime of valuable business experience to the commission, but he will observe costs out of all proportion to those in private industry and similar circumstances.

The theory of Hydro at cost, as has been mentioned earlier in the House this session, has long since disappeared, for Hydro cannot yet competitively meet costs of Quebec power companies who are subjected across the provincial boundary to all regular forms of taxation.

The tax, or the charge, whichever one might call it, would drain back to the

benefit of the people much of the unnecessary surplus of the commission, and the application of the tax would put the commission on its merits to produce and operate under very similar conditions to private enterprise.

It would not affect their credit, I submit, which is, after all, guaranteed by the province, but it would effect some hard looks at cost which, in any government corporation, federal or provincial, are not taken with the same seriousness as private enterprise might regard them.

Certainly they are responsible to this House in theory only. The application of the corporation tax would generate responsibility at all levels, and I am sure would eventually develop a surplus even after the corporation tax is deducted from their earnings.

Instead of men who feel they are men with a mission, they might become men with a purpose, that purpose being primarily to give Ontario the best administration of which it is capable, and I think we will get near the original theory of Hydro at cost.

We have again heard in this session about agriculture, and I can only be an observer in this field, but from hearing the debates pro and con across this floor during the last several years, it appears to be an industry something like the weather: everyone talks about it but nobody does anything about it.

And through the years, I have heard many distinguished hon. members in this House speak about it; for in this House the rural hon. member is difficult to distinguish, to my mind at least, from the corporation lawyer, the trial lawyer, the investment dealer, the millionaire, or even from a cabinet Minister. He has a happy appearance and appears to have only one real advantage over the rest of the hon. members—he seems to be a much healthier person.

I am convinced from observations and from successive hon. Ministers of Agriculture that all is not well on the land. It appears that farmers, too, have mortgages and buy their cars on the instalment plan. They seem to have a difficult

time to hire help and just as difficult a time to meet the payroll.

Then, when the crop is in, the farmer cannot secure a proper price for the product. The price of everything the farmer buys seems to go up but the price he receives for what he sells seems to remain constant, if it does not actually drop in price. That, from my own observation, seems to be the problem; seemingly all we ever do in this House is talk about it.

From the consumers' standpoint, a different picture emerges. Prices of farm products in our outlets soar higher and higher while the farmer receives the same income for his services. At the retail level, the opportunity of exploitation developed and the merchandisers were quick to seize the opportunity.

While Ottawa was blaming Queen's Park and while Queen's Park was blaming Ottawa, a happy society continued, a great fraternity known as the Loyal Order of Ancient Depression. While somewhat new in Ontario, it grew through the centuries in other lands and produced some great revolutions. Its garb has changed with the times, but its short form of title, "Load" has never changed.

By day, they dress in working garb and travel in vehicles of ancient vintage; by night away from the ranch, in the ranch-style bungalow, their uniform becomes a tuxedo, their vehicle of travel the Cadillac. It takes the work and labour of 50 farmers and their wives to maintain them in the style to which their Order entitles them, but that is small tribute to their enterprise, for they are the elite of an old and ancient Order. They are the happy survivors of a once-great throng who not only loaded the farmer but also loaded the worker in the trades.

But one day some upstart said, "Why should we work for a pittance while our masters live in luxury?", and some upstart in the Order, who was promptly expelled, replied: "If we are to survive, we must perchance recognize these fellows and at least give some share of our bounty to them."

The industrialists who warned of the trend were certain that one day the distributor of the products of the farm would share their lot. But it was not to be, for from that day forward, the farmer could not agree that his labours were worthy of at least equal recognition of that of the tradesmen, and there was great joy in the remnants of the Order. And that joy waxed exceedingly well, when, as recently as two years ago, that journal among journals in the land, the *Globe and Mail*, did portray the great indignation of the Order on its editorial page. There did the pen of an illustrious artist portray great confusion at the crossroads as the farmer-owned Cadillacs created a traffic jam in their trek to the seat of government to seek redress.

And the high priest of the Loyal Order of Ancient Depression bent his head in the direction of Queen's Park and said: "Thy journal bears great tidings of joy, grateful are we to be saved. Five and fifty cents we receive for our product and the farm faineth five in the coin of the realm; great are the virtues of the artist whom we shall now name our court jester." Here endeth the lesson.

It all boils down to this situation: everyone is talking about the problems of agriculture and no one seems to be doing anything about it. I know if I were residing in southern Ontario, and making my living from the farm, I would have the Progressive Conservative hon. member of the Ontario Legislature and the Liberal hon. member for the federal Parliament get busy and do something about it, and do a little less talking about proper marketing legislation and extensive organization. What the farmer really wants is results.

The consumer does not want to pay more for farm goods and the consumer need not pay more. There is already a sufficient range in price, it needs only a fair division of the price structure, and I assure this House that the Liberal party will, at its first opportunity, set up legislation which will guarantee a fair price for the product and a premium price on quality.

I have hopes that the new hon. Minister of Agriculture (Mr. Goodfellow) will take some bold steps for this industry, encourage organization and effective prices, and that the people in the federal sphere will do the same thing.

I get back now on a subject which seems to create a stir from time to time, and I want to speak a little more about the application of our liquor laws. I think the hon. Provincial Treasurer is a man who will agree that the money from the sale of liquor constitutes one of the major items on the revenue side in the budget. There remains the desire of the government to extract every cent possible from the promotion and sale of liquor, while causing every possible annoyance to the public, the majority of whom use the product of the government outlets and licenced premises. The control over our beer sales leaves much to be desired, especially in the area of control.

However, Mr. Speaker, I would say that we do not subscribe to the theory that a gentleman known as Mr. E. P. Taylor determines policy to suit himself.

HON. MR. PORTER: Could I ask the hon. member whether all hon. members on that side of the House are in agreement on the beer policy?

MR. WREN: We do not subscribe to the theory that E. P. Taylor determines policy to suit himself. He does determine and project his own thinking on the administration simply because he is a very astute business man and prone to take advantage of every opportunity to enhance his position as a beer baron. The sad fact is that he is not so happy with his own influence as he must be with the knowledge that there is no person in the government with anything like the same capacity to drive a hard bargain. If he does ride roughshod over the administration he does so because he is able to do so.

If he proposes a plan to restrict draft beer to one glass at a time in favour of his bottled product, that regulation will take effect, as has already been demon-

strated. The fact that downtown hotels can serve a little depth charge in their cocktail bars, 6 ounces of liquor in one drink, is of no consequence to a beer baron; he sells beer and to him it is more desirable that he sells his own beer. If a local brewery is promoting the sale of draft beer which is popular with the local workingmen, then it is good business to put a stop to that practice, and put a stop to it he did.

HON. MR. DUNBAR: Where does the hon. member go for that drink?

MR. WREN: One goes in the hotel where he is staying, and one will see a little item on the wine list, as they call it, and it says "Zombie", which is a drink containing 5 ounces of rum, one ounce of brandy and mixes, and they want \$2.50 for it; I know because one evening I had to pay for one.

Mr. Taylor put a stop to it and it has closed several breweries which were in competition and has others hanging on the ropes. He has the major control of the non-profit brewers' retail stores, but by maintaining that one means of distribution in the province he keeps the cost of distribution to a minimum, and actually is able to sell more because a patron will buy more at one time if he has to travel a great distance and suffer much inconvenience to obtain it.

If drunkenness ensues, that is not the problem of the brewers' retail, that is the problem of the police force.

A recent Gallup poll survey shows that a preponderating majority would prefer to purchase beer in the grocery stores of the province, but that would be costly to the brewers in general and Mr. Taylor in particular. Why? Simply because his brewery would have to distribute it to the stores and because he knows that the family grocer would use a great deal of discretion in its sale to the public.

In the brewers' retail outlet, on the other hand, the customers buy more because they have to go a long distance to get it and the clerks in that store have

no possible means of knowing either the person who is buying two dozen instead of a few bottles or any idea of the personal habits of the individual.

Hon. members might suggest that children may get it, and they may in some instances, but I do seriously suggest that fewer children would obtain possession from their grocer than they do now through intermediaries and necessarily impersonal attitudes of the staff of any retail outlet.

The hon. Prime Minister might jocularly show a drop in brewery shares, but we might well examine with it the great costs charged up, before profits, in this industry. Beer is a poor man's champagne, but champagne in any form is not safe for him; he can get more with higher prices if he goes to a cocktail lounge.

I do want to quote for the record the result of the Canadian Institute of Public Opinion survey, a copy of which hon. members received. It had nothing to do with any particular memberships or anything of that sort. This was taken by what is popularly known as the "Gallup poll" and it shows in the province of Ontario that, of the total abstainers, 26 per cent. favour sale of beer in grocery stores and 58 per cent. were not in favour of such sales; 2 per cent. are not qualified and 16 per cent. have no opinion.

For those who drink alcoholic beverages, and it is difficult to find those who do not these days, I think it is interesting to learn that 71 per cent. favour the sale of beer in grocery stores, 21 per cent. are not in favour of such sales, unqualified is 1 per cent. and those with no opinion is 7 per cent.

I would seriously suggest again, as I have in the past, that this might receive some consideration from the government.

I am not suggesting for a moment that the so-called brewers' retail stores be closed, but I do say that some other quite as good and perhaps better means might be developed for distributing the goods in the province. I think most

people will agree that the product is here to stay.

There is another thing I should like to take a look at in this province, under liquor administration, and that is I think we should take a good look at the licencing of premises in general.

Some of those who enjoy a good trade in their parlours and lounges are not content with that; not content with the very desirable protected earnings within their licence. There may even be certain levels of society one might expect to encounter in certain beverage rooms and bars. Police officials suggest that it is desirable that certain groups be left to congregate in certain areas. But that might be restricted to the bar.

On the other hand, we find situations where a flourishing traffic follows in other lines. There is a desirable regulation that most licencees maintain a certain number of rooms in their premises for the accommodation of the public, and that accommodation must, or should, meet an acceptable standard.

In other words, a sign stating that "These premises are licenced under authority of the Liquor Licence Board of Ontario" should be a badge of honour and a guarantee to the traveller that here is an establishment where one can obtain lodging in comfort and cleanliness and without any necessity of having to buy a drink in the licenced part of the premises.

But strange, indeed, is the result sometimes to enter a room where traffic from downstairs generates to the upper floors, and the licensee delights in renting the same space several times in the same evening. Then comes the uninformed but tired traveller into a room which is not even cleaned, which is actually soiled with the illicit traffic permitted by the management.

It is somewhat nauseating to find this situation where these people are allowed to roam the licenced bar at will, which is bad enough, but, as I have said, subject to some police thinking on the subject, to find their activities condoned in

the upper floors under the banner of authorization of the province of Ontario is just a little too much. And we can find situations where this "combined operation" takes place under the benevolence of the licencing board.

Yet, Mr. Speaker, in my riding it is considered by the liquor board to be a great sin if the "old sweats" from World War I, who were not quite up to anything more active in relaxation than having a bottle of beer on the table while they played bingo in the Legion on Saturday night, were to have a bottle of beer on the table because, to quote the board, "There may be disagreements, but it is all right so long as they play bingo, without profit, in one area, and drink beer in another."

Yet, right in the city of Toronto, there are some quite prominent hotels where it is seemingly more desirable to cater to the whims of the undesirable people whom I am talking about than to permit some harmless relaxation to our veterans of our wars.

I think it is something that should be dealt with by the board, and dealt with quite severely; and, without embarrassing any one by mentioning names, I would be quite free at any time to show the hon. liquor commissioner (Mr. Collings) some of these premises I am speaking about. Some of them are very well advertised and very deceptive in their appearance.

This business of liquor permits continues to be disturbing. The recently announced policy is denounced by the *Globe and Mail*, of all people, and it is ridiculous that the public should be subjected to the continuing indignity of juvenile treatment of adults in the application of this principle. The *Globe and Mail* editorial, dated March 23, 1957, is headed, "Nuisance Tax", and I think they put their finger right on the situation in the final paragraph of their editorial.

I must say it is a little refreshing to find some of these papers agreeing with

somebody on this side of the House. They say this:

But finally Mr. Dunbar got down to the real reason for the permits: their sale brings in more than \$1 million annually. So that is what the permit is—including the stupid ritual that goes with it; either a rake-off (no less crude for being official); or a purchase tax (no less real for being misnamed).

Taking the second as the most charitable view, then let it be collected as a tax, by incorporation into the price of the commodity. A case can probably be made for a needed revenue source. No case at all can be made for a needless annoyance to the paying public.

I want to deal with some other matters of some moment for just a short time before I conclude. I want to have something to say about the labour movement in the province, and I am going to restrict my remarks because of the hon. Prime Minister's announcement that a select committee will be appointed to deal with labour legislation in the province, and between now and the next session of the Legislature, a year hence, I am sure that the committee is going to be able to gather a great deal of important and useful information.

But there are a few things that I think should be said, and there is one matter about which I have not had the time to check with some of the legal officers of the government.

But I would say that if there is anything in the railway legislation still on the statute books of the province I would be happy indeed, and I am quite prepared, to debate it anywhere to establish the reasons why I would be very happy if legislation were enacted, despite the Royal commission now sitting on the subject, which would prevent the railroads operating trains across the province of Ontario on any of their main line and yard trains without firemen in their crews or helpers, as they might be called, with the advent of the diesel engine.

I do not think there are many people who are fully aware of the significance of the hearings which are now taking place before the Royal commission on this problem at Ottawa, and, I suppose they are sitting in other centres; but having been raised around railway locomotives and a railway yard, I have been associated with these men and with the industry to some extent practically all my life, and I think there are a few things about this issue of which people are not fully aware.

I know it is quite simple to stand beside a locomotive and wonder why that young fellow who is sitting on the left hand side does not appear to be doing very much, and appears to be there just to draw what, as everyone knows, is a pretty good wage for his services.

If the public generally realized the duties involved in the operation of a train and in the operation of a diesel or steam locomotive, I think their opinions on this subject would change very greatly. I noticed another Gallup poll on that very thing. Unfortunately, I have lost the clipping, but a slight majority of people seem to think that the second man in the locomotive cab could be safely dispensed with.

Yet the hon. Minister of Mines in this House the other day summed it up as well as I have heard a like situation summed up. He was discussing the new Mining Act, and he was dealing with something concerning the safe operation of mines, when he said this in answer to an hon. member's very proper question about seniority and safety in mining.

The hon. Minister said something like this: "I would not want to be the Minister of a department where the general safety of the man underground depended upon any rulings which might have to be made over a delayed period of time between management and labour." I believe that thinking is sound. The place to resolve management and labour difficulties is by management and labour themselves.

I would suggest that these firemen, working at their jobs in these particular locomotives, may go for some months with having to do nothing more than the ordinary routine duties. But it would only take the fraction of a second — and I have seen it happen in my riding on several very tragic occasions indeed—for just one slip, one miss on a signal, to cause 4, 6, or sometimes 8 men to lose their lives as a result.

I do not think it is wise that we should risk the lives, not only of the crewmen, but of the passengers behind those locomotives travelling in railroad coaches.

I do not know if I have briefly outlined the most important feature of this — and I do not want to say too much and get myself in trouble with the Royal commission which might be sitting — but I think it is important to realize the need to have those people in these locomotives. I hope every hon. member of this House who knows some of these railroad men personally will talk to them about it, not with a view to developing an argument, or anything like that, but just to get their honest opinions

I have one example here, that I will give hon. members, of how quickly things can happen and how seriously they can develop.

I recall about 3 years ago when a dispatcher operating a section of the Canadian National Railways east of Winnipeg phoned the superintendent in my area and asked him to call the wrecking crew. The superintendent asked: "Where is the wreck?"

The dispatcher replied, "Well, I am not sure. Someone has missed an order. The train has gone past its point and there is no way I can stop either train. The wreck will take place in approximately 19 minutes."

It did. The employee concerned became seriously ill afterwards as a result of the severe mental shock he suffered as a result of this particular accident.

I think there are other ways, and other more acceptable ways, for railways to

save money than in the abolition of these jobs involving safety.

It also brings about this very important aspect, and that is if employers anywhere, or the labour unions themselves for that matter, are going to start tampering with jobs which affect the safety of the men themselves and the people who use their services, where is it going to stop? What will be next on the list in the name of economy which might cause the same endangering troubles?

There are only one or two things I want to say about labour prior to this whole subject going to the select committee to be appointed on this subject.

One is this: that especially in the light of some of the developments which have taken place in the United States in recent months, and in the light of some of the developments which have taken place in the courts in this land, with regard to men who were members of trade unions, I would say, Mr. Speaker, that the day is long overdue when a bill of rights should be written for the individual trade union member.

He has reached the position now where his own position within the union is sometimes a precarious position indeed, in respect to his membership in the union itself and in respect to his employment in the trade for which he is unionized.

I think that some serious thinking is going to have to take place to see that the rights of these men who pay union dues are protected, and that we should do whatever is necessary to maintain the proper balance of rights between themselves and their company and give proper protection under the law.

A very good look should be taken by labour itself, and by management, to make sure, as desirable as it is in other fields, that the American influence, welcome as it is both as neighbours, friends and customers and the like, does not take over the complete domination of our own trade union movement.

I was in the trade union movement when I was a boy, and I have been

associated with it ever since, but I have seen some things which have certainly made me do some very serious thinking.

My main interest in this matter is not the interest that management might think. I am interested in seeing that these good people have their own rights within their own unions.

The only other item I want to mention before I finish is the pleasure we have at the moment that the hon. Minister of Highways (Mr. Allan) will introduce his master plan to the House within the next few days. Certainly, the session is nearly at an end. His plan will be introduced, perhaps, some time this week.

I do want to suggest this word of caution, though, to the hon. Minister, that nothing might develop to upset the present harmony in that department by the application of a programme of work and activity which might be impossible of obtaining due to the sheer absence of sufficient engineering skill, sufficient engineering personnel — men, equipment and materials — to carry out a programme of the scope that might be suggested.

I do say to hon. members of this House we should not bite off more than we can chew — let us not get back to anything like the unfortunate occurrences which took place in former years. I say, seriously, the engineers should be given every chance to develop their plan along sensible lines and not be too crowded for time in circumstances where their decisions, and the result of what they do, might be clouded by the necessity of meeting demands which are impossible of attainment.

In conclusion, Mr. Speaker, I repeat what I said at the outset: the criticism we have, in the main, of the hon. Provincial Treasurer's budget this year is that he is taking an unfair "crack" at the industries associated with natural resources in this province, and we do appeal to the hon. Provincial Treasurer again that he give them a chance to breathe.

MR. R. GISBORN (Wentworth East): Mr. Speaker, I feel the hon. member for York South, the leader of the CCF (Mr. MacDonald), has ably presented to the House, up to this present day, the views of the CCF party, including our feelings towards the business of the government. I feel I can refrain from taking up the time of the House except for one item which I feel should be cleared up. That is, the reference of the hon. member for Riverdale (Mr. Macaulay) to myself and to the CCF party as to being communistic or similar to the communistic ideologies.

I have tried to bide my time in speaking a few words in regard to this until the hon. member was in his place, but I would likely have to stay until the end of the session to catch him here long enough.

The hon. member for Riverdale, that crown prince of grand old Tory, has attempted, in my opinion, to "torrify" all the hon. members of this House with his attitude in some flitting manner. While attempting to berate the hon. leader of the CCF in his speech last Thursday, he was quite perturbed about something, and for a while I thought he was not going to be physically able to finish his speech. But in his own admittance it was the smiling face of the hon. member for York South that made him look so ill.

When he opened his speech he referred to one or two remarks of hon. members of the House. Being a new member, I did not realize it was a political advantage, and I did not think I would ever enjoy doing it, but when they are made in the manner that I am going to try and put forward tonight, they cannot go without reply.

The first thing the hon. member said —and I quote from *Hansard* at page 1112—in referring to the hon. member for York South, was:

The hon. member is nothing more than a private hon. member in this House, and he assumes that he has the right to rise in every debate to

the exclusion of almost everyone in this House, and takes precedence immediately following the hon. Leader of the Opposition.

I think the hon. member for Riverdale is very able and intelligent, but I do wish he would not attempt the position of hon. Speaker of this House. It is my understanding that this House is governed by democratic rules of procedure with special privileges to none, and almost every speaker in this House has referred to the fact that the hon. Speaker is doing a wonderful job and is being impartial. So I do not think the hon. member for Riverdale should take on the job of deciding when an hon. member is in order and when he is not.

The matter I want to get down to seriously is his reference to myself, in one place, and to the CCF party in 4 other places.

He makes the reference that we are attached to the communist party or are communistic. At one point he referred particularly to myself, and the hon. member for Renfrew South (Mr. Maloney) ended up by saying: "Once a CCF'er, always a CCF'er." The hon. member for Riverdale added: "Once a communist, always a communist."

Later on, regarding the hon. member for York South, he referred to him and to another member of the CCF party on a radio interview in this manner, and I quote from *Hansard*, March 14th, page 1113:

In a discussion with a woman who is an executive member of the CCF in Canada, the sort of moderate wing of the communist party—

Then again, further on, he says this in referring to both the party and to the hon. member for York South:

I only want to suggest in conclusion to the hon. member who, every time anyone mentions anything that he has mentioned, thinks apparently that it is CCF. I will have an opportunity next year, and I am now working on

the speech, to reply to the hon. member and to draw the analogy between his party and communism, and show hon. members just what the two of them stand for.

A person could draw an analogy, and if he draws it truthfully and unbiased, he could show an analogy, but the analogy, if it were true, would show there is entirely no similarity. But, undoubtedly, that is not what the hon. member had in mind, because his point is ably taken up by the press, the *Globe and Mail* and the *Ottawa Journal*, which had this to say about his remarks.

He described the CCF party as a moderate wing of the communist party.

I just want to give a few examples of what the CCF means, and how the party feels towards communism. The first thing I would like to point out is that on March 7th, in this House, the hon. Mr. Speaker said, and I quote him:

Before the orders of the day, I would like to welcome a very distinguished guest to our assembly in the person of Miss Anna Kethly, the leader of the Hungarian Social Democratic Party and a member of the short-lived Nagy government following the October revolution. Miss Kethly is visiting Canada for the first time.

Then the hon. member for York South also said a few words of welcome, and then the hon. Prime Minister said this:

Mr. Speaker, might I add a few brief words of welcome to Miss Kethly to this great province and to this great country. I hope to have the pleasure in a very few minutes of meeting Miss Kethly personally, and it will be a personal pleasure to extend these greetings to her.

It is indeed a great pleasure to have Miss Kethly with us, and to have coming to our land these fine Hungarian people who are going to make fine citizens of our country. We want to express to Miss Kethly our very best wishes for the future, for we look

forward to the day when Hungary will be as free as we are in this country. I do not think we will be satisfied until that day comes.

I do not think I need to go on; the point is there.

Mr. Speaker, I would like to tell you what the CCF officially says about communism. Many hon. members may have heard it, but I think, at this particular time, we should go on record on this point so there will be no doubt in the minds of hon. members.

The democratic socialist philosophy of the CCF is opposite to that of communism. Communists build a small but highly trained disciplined group who will master-mind a revolution and then will establish a dictatorship to extend and direct the revolution. "Anything goes" that they think will promote or extend the revolution. The most deceitful manoeuvres and the most blatant brutality are not only regarded as legitimate, but take on the character, almost, of a sacred crusade.

The CCF rejects this philosophy absolutely. It denies that good can come from the depression of human beings under a dictatorship. It affirms that a better society can be built by the sole and sure method of constitutional change in which the individual, at all times, is exalted and given a steadily increasing opportunity to lead the good life.

I will leave it there. We have other points in our attitude towards communism.

I would like to make another point which should help to accentuate what I am trying to get across, and I will quote from the Roman Catholic newspaper, *The Canadian Register*, of June 19, 1948:

The CCF has fought the communist party with all its strength both in the political field and in the labour unions. The CCF and the labour unions have been the barrier between the activity of the communist and the working man in English-speaking Canada.

In my early days in the trade union movement around 1942, I spent the first 7 or 8 years fighting the communists, and when I say "fighting them" I mean that in its true sense, because I was "racked up" a few times in doing so. In my experience, I have seen the communists cleared out of the trade union movement on the local level, at the labour council level, from the federation level, and from the Canadian national level in the congress.

I know the people who have helped to do the job, who have done the job, and I want to say that if the hon. members of this House or the citizens of this country should ever take time out to thank the trade unions for anything, they should thank them for that job, because it was a job well done.

I have always detested communism, and I want to say most sincerely that I could come to detest a person who would attempt to plant in the hearts of the innocent, or in minds politically ignorant, that an individual or an organization was communistic — the more so if that person knew it not to be true. I think we should all remember that when you attack a person as a communist, you also attack his religious beliefs.

So I am sorry that the hon. member for Riverdale is not in his place, I have said everything in great sincerity, and I hope it will have some benefit. If he does the job next year that he has promised to do in drawing an analogy—the difference—between the CCF and the communist party, and he does it truthfully and in an unbiased fashion, he will render a great service to the New Canadians coming to this country.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, may I ask one question? The hon. member did have quite a number of people who represented his party as CCF who admitted later that they were communists, did he not? I mean those who were representing the CCF in elections.

MR. GISBORN: I am sorry, I did not quite get the question.

HON. MR. DUNBAR: The hon. member's party has had quite a number, they have had some, who were running on the CCF ticket and who later admitted they were communists.

MR. GISBORN: To whom is the hon. Minister referring?

MR. MacDONALD: Not to my knowledge, never.

MR. GISBORN: Who is the hon. Minister referring to?

HON. MR. DUNBAR: I could name one, in fact, I could name a dozen if I wanted to, but I will just name one for the hon. member, and a good fellow.

MR. GISBORN: Who?

HON. MR. DUNBAR: Dr. Eugene Forsey, who was my opponent in Ottawa.

MR. MacDONALD: Admitted he was a communist?

HON. MR. DUNBAR: Admitted, said in Carleton county, at Richmond, that he had been a communist but he had changed. He never to this day set up any change.

MR. MacDONALD: Mr. Speaker, this is perfectly absurd.

HON. MR. DUNBAR: The hon. member for York South was not there.

MR. MacDONALD: I know Eugene Forsey well.

HON. MR. DUNBAR: So do I.

MR. MacDONALD: And there are millions of people in this country who know Eugene Forsey, and I am convinced that Eugene Forsey at no time in his life admitted he was a communist, because at no time in his life has he ever been a communist. The hon. Minister must have been a little deaf at that time.

HON. MR. DUNBAR: No, I am not deaf at all. He said himself that he was a communist, but he had changed, he saw his mistake.

MR. MacDONALD: The early Christians were communists, maybe the hon. Minister listened in on a theoretical discussion or something of that order.

MR. STEWART: They were not Karl Marx followers.

HON. MR. DUNBAR: Let the hon. member for York South ask "Gene" some time if he did not make that statement on the platform in Richmond.

MR. C. H. LYONS (Sault Ste. Marie): Believe me, Mr. Speaker, I shall always welcome an opportunity to rise in this chamber in order to congratulate hon. members in this House on the admirable choice they made when they selected you hon. Mr. Speaker. I truly envy your calmness of mind, your impressing equanimity, and your cool composure — characteristics which I have always desired to possess myself. I am certain that all those within sound of my voice hope that you will be spared for many years in order to continue your important work.

Standing here in the early part of the year 1957 it is impossible that one should not look back, and equally impossible that one should not look forward. We are just at the close of 40 years of great achievements. We pride ourselves upon the work this province has accomplished. We point to a government based upon the consent of the governed; to wealth which has been piled up such as few countries have ever attained within 40 years. It is a condition of life, such as never existed in other countries. The year 1956 has been a wonderful, wonderful year. Who can remember one to match it?

Looking over the pages of accomplishment for 1956, I could think of no other adjectives with which to describe this year of grace. Almost every page

tells of new achievements, new records, new plannings. Forty years ago Canada was a hopeful, but still young, struggling and somewhat timid, Dominion. Today she is a world power, self-reliant, prosperous, strongly set.

The difference is reflected in the bearing of her people. We see it in the attitude of her business men, in the boldness of their planning, the assurance and skill with which that planning is executed. There are no thoughts of stopping, no doubts about the future, no hesitation in their strides toward greater goals.

From the Great Lakes to the farthest limits of our northern hinterland, from Quebec to the Manitoba border, this empire known as Ontario is on the march — developing its tremendous resources, harnessing its incalculable power, fashioning a story of progress more exciting than any other spot on the globe today. Across the land we are marching ahead, hand in hand, to the rhythm of the motor, the hammer and the machine.

Vast iron ore deposits, vital uranium, new prospecting potentials all around us, more precious metals, mountain moving developments, new factories and industries pointing hundreds of new tall chimneys to the skies in the north, the south, the east and the west, the whirling wheels and clattering hammers of industry: all these things sing the song of this great province.

Population has been growing by 161,000 souls a year — an average annual rate of increase of 3.3 per cent., and one well above that of the rest of Canada and double that of the United States.

Ontario's labour force increased last year by 4 per cent., but with the economy operating at full draught, unemployment was nearly non-existent. The total provincial product rose again by 10 per cent., of which about 7 per cent. represented an increase in real goods and services. The gross value of manufactured products increased by 10 per cent. to \$10.6 billion. Electric power

generation—one of the best barometers of our progress—rose by 12 per cent.

The output of Ontario's mines established a new record in dollars output increasing by nearly 10 per cent., while pulp and paper advanced by close to 9 per cent. Capital investment in new factories, machinery and other private and public physical assets rose in 1956 by an astounding 25 per cent. to the highest level in our history.

All this has been breath-taking, for in the formulation of government policy an attempt has been made to achieve an atmosphere favourable to economic expansion, and to the steady advance of better living—not for the privilege of any special segment of the people—but for all.

These policies have encouraged the investment of \$21.5 billion between the years 1940 and 1956 to expand and modernize our industrial structure, to add to our power, transportation and communication assets, to develop our natural resources and to enlarge our physical stocks, houses, highways, hospitals, schools and university facilities.

Since 1943 the capacity of such Ontario industries as primary iron and steel, automobiles, pulp and paper, farm implements, and nearly all appliances has been doubled and in many cases far more than doubled.

Recently when the hon. member for York South (Mr. MacDonald) was speaking, he had this to say in regard to the Gordon report:

The Gordon report indicates that since the end of the war, capital investment in Canada is \$52 billion. Half of that capital investment in Canada has been made by corporations—\$24 billion to \$25 billion of it. Where did they get their money to make that investment? \$18 billion of it was internally generated reserves; \$7 billion of it was undistributed profits; \$11 billion was what they call depreciation allowances.

I should like to wonder if the hon. member for York South ever had to go

out and find money for capital investment at any particular stage of the game, particularly in the days of tight money? Of course, these reserves are internally generated, but the hon. member leaves the implication that there is a till full of money—all one has to do is pull it open and out goes billions. Those internally generated reserves are usually in the form of bank loans. Corporations do not sit around with billions of dollars in their till waiting to expend it.

I should also like to ask the hon. member for York South what happens when a corporation purchases a machine for \$20,000 and they write off \$20,000 in depreciation and that is returned to the company's coffers? When they go to replace that machine today, the cost is \$100,000. Where does the other \$80,000 come from? They get only \$20,000 back from depreciation. The other \$80,000 comes from internal generated reserves as the hon. member calls them, but the implication he leaves is that there is something wrong about this.

As I view the many speeches the hon. member makes, I am sometimes reminded of the little skit a poet years ago wrote when he said, "He could argue and would try to decide a hair twixt the south on the southwest side."

I am often reminded of that tragicomical little figure in Cervantes' novel known as Don Quixote and you remember as you follow the characterizations, Mr. Speaker, that Don Quixote turned out to purchase a uniform or obtain a uniform for himself that was much too large. It was baggy at the knees and baggy at the seat, and the sword he chose as being one appropriate to the stature that he thought he deserved in his own mind turned out to drag several inches long, the scabbard part of it, on the ground, because he was not of that stature at all.

But Don Quixote rode this little donkey into battle; he went around the landscape searching for windmills, and it made no difference to Don Quixote whether the windmill was serving some useful purpose to its owner or some

useful purpose to the area in which it was located. The thing was, if it was a windmill, it had to be attacked, always, of course, with the same inevitable result.

I do not feel so sorry when I read those stories of Don Quixote as I feel for the little donkey that was pressed into service, each time that the master had to be carried to the attack.

I make that reference in regard to the hon. member for York South, because what the hon. member is riding now is organized labour. I want to clarify myself, because as sure as the world, the hon. member or some of his followers are going to come out and say that "this man Lyons has been referring to organized labour as a donkey." I am referring to the organization that is carrying the hon. member for York South into his prorated, not to organized labour.

MR. MacDONALD: It is their voluntary choice.

AN HON. MEMBER: Is the hon. member for York South a windmill?

MR. LYONS: No, he attacks them.

MR. MacDONALD: Let the hon. member look at the windmill of his people in Ottawa.

MR. LYONS: The capacity of the Ontario Hydro electric generating system, one of the best yardsticks of our economic growth, and of the rise in our living standards, has increased three-fold. Despite the fact that employees in manufacturing now work 5 hours less every week than they did a dozen years ago, the average weekly wage or salary in Ontario has climbed 2.10 times. Consumer expenditure in the province has risen by over 176 per cent., far outraging the increase in prices.

Not only are Ontario people eating more meat, poultry, eggs, fresh fruits and vegetables, but it is a rare home that does not have some durable conveniences and labour-saving appliances. Herein

is the measured march of our progress — translated into rising living standards, widely distributed across the province and among all income groups.

The first time I had the honour of sitting in this legislative assembly was the session of 1952. In that year this province's assistance to the municipalities amounted to \$105.4 million. The estimated figure for 1957 is \$180.2 million. For the fiscal year now approaching, this assistance will be increased to \$213.9 million, excluding the province's contribution to the teachers' superannuation fund, the work of the Ontario water resources commission and the moneys made available by the Ontario municipal improvement commission. In the last 6 years municipal assistance has risen from \$105.4 million to \$213.9 million.

And now, Mr. Speaker, I should like to take a few minutes to break down some figures associated with this province's municipal assistance programme.

During the past 12 months, I have had some intimate dealings with one of Ontario's well-known and publicly approved appraisal companies, as well as a well-known American appraisal company that does considerable valuating in Ontario.

The key figure used by these organizations in arriving at today's value of constructed buildings is 2.90 times their 1939 value. I should like hon. members, particularly those sitting in opposition, to remember that figure for a few moments, for it is a key figure in my discussion. And in order that that will not constitute too great a strain on their mental resources, I suggest that the figure 3 is easier to remember than 2.90 and for the purpose of my comparisons the figure 3 will be close enough.

I have told you, Mr. Speaker, that present day values of constructed units is arrived at by these appraisal organizations by multiplying 1939 costs by 2.90.

Now, if we take another step and compare personal income in 1939 with that of 1956, we will see that it has

risen in approximately the same proportion although somewhat faster. In 1939 personal income in Ontario was \$476 per capita. In 1956 it was \$1,591 per capita or a rise of 3.30 times.

In the same period, however, the municipal tax levy per capita in Ontario rose only 2.19 times in terms of current dollars. Had it risen in proportion to the rise in construction costs, and in proportion to the rise in per capita income, the municipal taxpayer would now be paying 2.90 times the amount he paid in 1939 or \$96.22 in terms of current dollars, whereas he is paying only \$72.56.

It is apparent from these figures—regardless of what the hon. Leader of the Opposition (Mr. Oliver) keeps repeating both in this House and outside of it—that the average municipal taxpayer is quite definitely not carrying the tax burden he is represented as carrying, and is in fact paying proportionately less than he was in 1939.

I am sorry the hon. Leader of the Opposition is not in his seat at the present time, because we who watch him very closely know that when he stands there and performs a certain type of gesticulation with his hands, and when he casts his eyes upwards, and employs a certain type of facial mobility that would do justice to a Hollywood actor, he seems to be saying a certain thing. But when we read *Hansard*, we find out that he did not quite say what we thought he said. In other words, he is a master of ambiguity.

For the last 5 sessions that I have sat here, I have heard him referring to the fact that this government was not paying sufficient municipal subsidy; they should be paying more. Now I notice that the opposition has a new tack entirely. They are saying that the amount is all right, but the government is not giving it in the right places and doing it the right way, that they are undermining the municipalities.

I have here *Hansard* for last year—and this covers the date of the speech of the hon. Leader of the Opposition

on the Throne debate. After he finished complimenting me on the very fine speech I made, he went on to speak of municipal assistance and he said:

In regard to municipal affairs, I am not going to argue this afternoon that the municipalities should get more money from the province. I have said that often enough in this House.

Probably the hon. member for Waterloo North (Mr. Wintermeyer) would like to remember that.

Then the hon. Leader of the Opposition spoke later on of the Chater committee, and having made several references to it, he said:

They spoke of unconditional grants as if they had just picked that idea out of their minds, as if no one had heard of them, as if it were something new that the committee had fashioned from their own search for the truth in these matters. Why, years before that, I had demanded of this government that they give the municipalities unconditional grants.

Now the hon. Leader of the Opposition and his supporters say that that is the wrong thing to do. I would suggest to the hon. Leader of the Opposition, if he were sitting in his seat now, that probably it would be a good idea for the opposition members to form themselves into a delegation and go and see Ottawa about this matter. They have a great hatchet man there, the hon. member for Essex North, uninhibited as he is by compassion — that is political compassion — he would make a great spokesman.

I notice the hon. member for Bruce (Mr. Whicher), in speaking to the estimates of the hon. Minister of Agriculture (Mr. Goodfellow), the other day got up on his "hind legs" and said: "We should fight for Ontario. It is the people of Ontario who elected us and we should fight for the people of Ontario as a whole."

You will see, Mr. Speaker, what happens when these things touch the agricultural side of the hon. member's nature—something that touches home to his voters, and gets his "dander up."

If that is true, and I believe it is true, I believe the hon. member made a very truthful statement. If it was true on that occasion, by the same token, it is also true in regard to the province's share of the tax money in Ottawa. Why do the opposition members not get up and form themselves into a battalion, or a delegation, and go down to Ottawa and say to the people in Ottawa what the hon. member said: "We are elected by the people of the province of Ontario and let us not have any favouritism; we believe that this money should be forthcoming."

Since 1939, this province has increased its overall assistance to municipalities, on a per capita basis of assessed population, from \$9.47 to \$34.06 or 3.60 times in terms of current dollars. Again let me repeat these figures — the province's contribution to the municipalities has risen since 1939 by 3.60 times, whereas the value of construction has risen 2.90 times and the per capita income in Ontario has risen 3.30 times, during the same period.

At the time the hon. Provincial Treasurer (Mr. Porter) was delivering his outstanding budget speech, it was easy to discern the smile on the countenance of the hon. member for Brant (Mr. Nixon), when the hon. Provincial Treasurer made certain comparisons in terms of constant dollars. This is the sixth session of the Legislature in which I have sat almost directly opposite the hon. member, and I do not remember any time that his enigmatic smile has denoted sarcasm or even incredulity. His is usually a smile of sincerity. So I assume that the hon. Provincial Treasurer's method of making comparisons by reverting certain figures into terms of constant dollars struck a responsive note in the hon. member for Brant.

A perusal of the sheet of tables dealing with the matter will show that today's municipal taxpayer is paying less in terms of constant dollars than he did in 1939. In 1939 he paid \$33.49 as compared to \$32.25 in 1956.

It is obvious from these comparisons, then, that the province is increasing its contribution to the municipalities each year at a much more accelerated pace than the municipalities are increasing their own tax levies.

Probably the time has arrived to ask some of those municipalities most vocal in their demands for added provincial assistance to take a peek into their mirror.

Nor should comparisons end there. A perusal of the figures applying to the province's net capital debt shows that the same comparisons tell a similar story. The net capital debt in 1939 was \$478.7 million or \$129.31 per capita. In 1957 the debt rose to an estimated \$768.8 million or a per capita charge of \$142.02 in terms of current dollars. But in terms of constant dollars—that is 1939 dollars—the per capita debt was only \$64.26 in 1957, as compared to \$129.31 in 1939.

It can be construed from these comparisons that per capita charges constitute only half the individual load that they did in 1939.

But probably a more graphic illustration of where the province stands in relation to capital debt is found in a comparison of the proportion of personal income required to pay that debt in the years 1939 and 1957. In 1939 the net capital debt represented 28.3 per cent. of the total personal income of the province. In 1957 it represented only 8.7 per cent. of the income.

This is like a man earning \$3,500 per year in 1939 who is obliged to place a large mortgage of say \$7,000 on his home or farm, then suddenly finds that his earnings have increased 3.12 times from \$3,500 per year to \$10,920. The mortgage then becomes a relatively minor matter by comparison.

However, it is obvious that our capital spending is still on the increase, and regardless of the fact that only about one-third of this spending is being done on borrowed money, our debt is rising more rapidly than our revenues, and without our rightful share of revenue being returned to us by Ottawa there was no alternative but to increase certain taxes as outlined in the hon. Provincial Treasurer's budget, whilst the Ottawa government uses "great gobs" of money that rightfully belong to this province to reduce its debt.

I ask you, Mr. Speaker, how long this province must continue to draw the federal government's chariot? How long must we continue to listen to their stumble-tongued explanations? How long are they going to continue to silence our just and humble requests with a rap of the gavel?

The new taxes, which this province has been obliged to impose, are a partial substitute for fiscal reforms refused by Ottawa.

There is but one reason for these tax increases: In spite of adjustments in repayments to the province, Ottawa is not only taking the lion's share of all revenues from fields formerly occupied by Ontario, but also is absorbing a disproportionate share of the annual increase in increment arising from industrial expansion serviced by the province and its municipalities.

In support of that last statement, let us look at the federal government's disproportionate share of the annual increment arising from the expansion of the automobile industry. The tremendous increase in automobile usage in Ontario, and therefore the phenomenal rise in production, is costing this province millions of dollars each year. But, at the same time, Ottawa is making a profit from the same industry. The Canadian tax foundation book shows that, from 1946 to 1953, federal revenue from that field came to \$1,260 million.

Now what did Ottawa contribute to road expenditures over all of Canada during that period? A piddling \$95

million, but, during that same period, the provinces paid out \$1,713 million.

Today the federal government's revenue from this source is about \$350 million per year. That is equal to what all the provinces in this fair Dominion collect between them.

But the provinces spend not only all the \$350 million which they collect, they spend an additional 40 per cent. along with it, while the federal government spends only about 20 per cent. of its receipts.

This is just one more illustration of how the parasitic federal government sucks the life blood from this province, and a graphic illustration of the fact that full-scale reform of national fiscal policy is necessary if we are to enjoy social equilibrium and economic growth, and so move forward.

To cope with this mounting traffic on our highway and road systems, the province has, this year, carried out the largest volume of highway and road construction in its history. The province itself has spent a total of \$203 million, of which \$110 million has been for new highway construction, \$48 million for maintenance, and \$45 million for subsidies to municipalities for maintenance and construction of new roads and thoroughfares.

Out of their own revenue, the municipalities themselves have spent an additional \$46 million, thereby bringing the total expenditures on highways and roads in the province during the past year to \$249 million.

Compared with this expenditure, revenue in motor vehicle licences and gasoline tax has totalled only \$152 million.

Although this expenditure is producing many improvements, the magnitude of the task continues to grow. Motor vehicle registrations are still rising rapidly. The increase over the previous year — 5.5 per cent. — represents an additional 90,000 motor vehicles on our highway and roads system, compared with an average annual increase of 100,000 in the last decade.

It is estimated that the rate of increase in Ontario's traffic volume in this period has been more than double that in the United States.

Studies of future needs leave no doubt that this highway and municipal road programme must be expanded. Accordingly, the budget provides for a provincial expenditure next year, excluding credits to highway reserve account, of \$233.4 million—\$30 million more than is being spent in the current fiscal year. Of this amount, \$181.4 million will be for the maintenance and new construction of highways and \$52 million will be for the payment of subsidies to the municipalities.

This appropriation, together with the municipalities' share of their expenditures — which will be about \$50 million — makes an overall highway and road programme of \$284 million.

I should like at this juncture to pay tribute to the hon. Minister of Highways (Mr. Allan) for his remarkable consideration of northern Ontario in the matter of capital expenditures. His budget for north central and northeastern districts has increased from \$16,742,000 this fiscal year to \$30,705,000 next fiscal year. His budget for northwestern Ontario districts is estimated at a little over \$10 million. These two amounts comprise a "whopping" 38 per cent. of his total capital expenditures, or 60.3 per cent. of the total amount to be spent in the balance of the province.

Of the \$30,705,000 estimated for north central and northeastern districts, provision has been made for a continuance of the "stepped-up programme" which is under way on the Lake Superior highway portion of the trans-Canada highway.

Viewing the tremendous effort that has been put forth on this "grand encirclement route"—and that is the name given to the proposed highway around Lake Superior when it was advocated by the late Sir Robert Borden, in the year 1912—one cannot but realize that

the hon. Minister of Highways has been chosen by opportunity, and influenced by duty, to constitute one of the great pioneers for the generations yet to come.

For pioneering is not a static thing, done and forgotten. It is an occasion to fashion and build in a manner that will permit our children and our children's children to look back upon the men of the government which I have the honour to support, as the outstanding pioneer of the 20th century. The dream that has smouldered in the hearts of men for nearly half a century is now coming true.

I should now like to mention another great pioneering venture that is rapidly approaching completion in the state of Michigan. I refer to that majestic structure the "Mackinac bridge." A folder giving full details of this imaginative project has been placed on the desks of hon. members today. The length of the Mackinac bridge is 5 miles, and it crosses 4 miles of water to connect the main part of Michigan with the northern peninsula, and thus bring incalculable numbers of cars and people to the very borders of the forest-covered grandeur of northern Ontario.

From anchorage to anchorage it is the longest suspension bridge in the world. When opened this fall, its suspension span will be the second largest in the world — 3,800 feet. The span of the Golden Gate bridge, the world's champion, is 4,200 feet. The Mackinac's cables are anchored at each end in concrete foundations each bigger than a football field; the concrete alone in both weighs 350,000 tons — not much less than all the steel and concrete in New York's Empire State Building.

It will also cost more than any other bridge built thus far—\$99.8 million. This is because of the almost impossible weather and geological conditions the site imposes. The bridge is being built right in the middle of a 40-mile long funnel that connects two great weather factories — Lake Huron and Lake Michigan.

During the hunting season last fall, people crossing the straits were so numerous their cars formed lines totaling 27 miles in length and they had to wait 24 hours to get on one of the big 100-car ferries that kept up continuous service.

My purpose in mentioning the Mackinac bridge is to let it be known that, as a result of the increased traffic that will flow up against the border of Sault Ste. Marie, it is hoped and expected that a bridge will be built to span the St. Mary's River and thus give unobstructed passage into Ontario to this overwhelming caravan of motor cars.

It is fervently hoped that all restraining obstacles will be swept away and all necessary assistance will be given in the near future so that construction of this important passageway can commence this summer.

As hon. Minister after hon. Minister rises in this chamber to make an accounting of his stewardship for the last fiscal year, and to present his estimate of the cost of carrying on the work of his department for the next fiscal year, one is amazed at the magnitudinal problems faced by all. So great an array of benefits has been disclosed by this budget that to make even brief mention of the most beneficial aspects would require a great deal of time, so I feel quite niggardly in my disposition at being able to talk about so few of them and to offer my congratulations to the few, when all deserve such great credit.

Tribute is being paid daily by every section of northern Ontario to the intensive programme of access roads being carried on by the hon. Minister of Mines (Mr. Kelly). Since this programme began a few years ago, 420 miles of mining and community access roads has been undertaken at a cost of \$3,462,000, and the end is not nearly in sight.

Along with my thanks to the hon. Minister of Mines goes my prayer that this programme be stepped-up and accelerated in the future. Northern

Ontario greatly needs this colonization type of road outlet.

It is also of paramount interest to us of northern Ontario to know that the hon. Minister of Lands and Forests (Mr. Mapledoram) has established a scheme for building forest access roads on unalienated Crown lands which will open up areas of mature timber for harvesting.

It is proposed to pay for the capital outlay required for this work by increasing stumpage charges on the sale of timber which the access roads will service.

During the last dozen years, the province has begun to direct more and more of its effort into regeneration of the forests on Crown lands in northern Ontario. The total output of nurseries has increased from 11 million trees, in 1945, to 31 million trees this year. Planting on Crown lands, which was insignificant in 1945, reached 12 million trees this year, of which 1,474,375 trees were planted on Crown lands in the Sault Ste. Marie district. Increasing attention has also been given to the problems of natural regeneration after logging.

A new approach is being taken in developing the work. Although big nurseries in southern Ontario and at Port Arthur have been expanded, new nurseries of a small and local nature are being started in many districts. Transportation of trees from nursery to planting site will be greatly facilitated by these local nurseries. These are already started in the districts of White River, Chapleau, Gogama, Sault Ste. Marie, Swastika and North Bay. Plans are being made for expansion of the programme in other districts as needed.

It is expected also that seed collected in each district will be used for production of nursery stock to be planted in that district.

The current goal of the department is the production of 100 million trees a year. Targets set in the current year are for 41 million trees by about 1960.

I should also like to refer to the outstanding contribution that the hon. Minister of Public Welfare (Mr. Cecile) is making to the aged folks of this province and particularly those in the district of Algoma.

What he is doing, and has been doing for the past 5 or 6 years, is eliminating fear and anxiety from the old age outlook of Ontario's residents. He is providing for their care and comfort in their declining years in a manner that serves as an example to all legislative bodies, and makes the Ontario government the leading administration in this field.

The first real step in lifting these institutions, from the common conception of them as refuges for the poor and needy, to their present-day level of attractive havens, where special care and all the comforts and conveniences of home life are accorded those who are living in them, was taken when the hon. Mr. Goodfellow, who was then Minister of Public Welfare, decided upon the present outstanding plan by erecting the first modern home at Sault Ste. Marie.

In the field of education this province has surely led the way. Total grants for elementary and secondary education will rise from \$81.2 million in the current fiscal year to \$101 million next fiscal year—an increase of \$19.8 million. In addition to this, the province's regular contribution to the teachers' superannuation fund will be increased by \$3.7 million to \$9.4 million.

In addition to these "whopping" sums for elementary and secondary schools, the province will find itself providing \$18 million in grants to universities and \$11.1 million to agricultural colleges, making the total expenditures for education \$145.2 million for the fiscal year 1957.

In his budget speech of 1955 the hon. Prime Minister and the hon. Provincial Treasurer of the day (Mr. Frost) had the following remarks to make as he announced special grants of \$5.6 million to our universities. I quote:

We are deeply conscious of the role of universities in advancing research

and science, and of affording opportunities for continuing intellectual and spiritual development. The sustaining economic growth of our whole province, and indeed of the whole nation, will depend to a large extent upon how we contribute to, and utilize, the multitude of new advances made possible by modern science.

Those are the words of a man who realizes that we must initiate a climate in which science and technology can flourish, a man who knows that we must protect and extend our basic research in order to make it the seed bed of new advances, a man who knows that the future as measured by science, technology and industry is one of unlimited horizons if we find new ways of doing things better.

In short, Mr. Speaker, a man who realizes that the responsibility of maintaining a vigorous programme of basic research rests not only upon industry but upon government as well.

The new technological revolution is the revolution of man against things as they are, a revolution based on determination. It is a revolution based upon creating wealth from nature rather than taking it away from other men, and a revolution against all the forces which hinder men in building a better life.

Therefore, as a province, we must provide for the necessary human resources, and in this regard, danger signals are already flying. Today we face a grave scarcity, both in quantity and quality, of scientists, engineers, doctors and chemists. We are seriously short of professionally-trained man-power in all fields of endeavour. But what is still more serious, we are short of teachers to train these professional people.

Surely the education and conservation of our human resources is at once one of the greatest triumphs and the greatest pieces of unfinished business in Ontario today. I feel that we must mobilize our resources to insure the preparation of an adequate number of young people, to carry on the increasingly complex work of our technological society.

Our advance, our living standard, our very defence against an enemy, all depend upon our success in doing this well.

The economic story of the next 25 years can be accurately forecast by viewing the past 25 years of our existence. The last quarter century can be reduced to one simple colossal fact: Today the average Canadian, though he works nearly 15 per cent. fewer hours, has roughly 50 per cent. more purchasing power than he had a quarter-century ago. It is estimated that every man, woman and child in the province of Ontario received the equivalent of \$1,591 in 1956.

In the past 25 years we have experienced a greater advance in our material standard of living than occurred in all the previous centuries of western civilization. The next 25 years promises even greater advances and changes.

If our productivity continues to advance at its present rate for the next quarter century, the annual cash income of every man, woman and child could easily rise from the present \$1,591 to at least \$2,400 in terms of the 1953 dollar.

Rising productivity necessarily enthrones the consumer. Machines not only displace but lighten labour. Rising productivity makes labour continually easier, even as it makes labour continually more precious. Because it tends to reward best those who contribute most, it endows money with the morality that it should have. Today, the central economic problem of this province, this Dominion, and the world, is not so much what to do with productivity, but how to keep it rising.

And, by and large, it must be understood that labour unions also are in favour of this technological research. Our Canadian labour union heads do not demand higher wages above all else. In essence, labour wants the higher real wages that rising productivity makes possible, and expects business to invest capital to create new jobs to employ workers who have been displaced by machines. All in all, Canadian labour

well fulfils one of the basic functions of organized labour in a free, dynamic economy: that of prodding management into doing the job more cheaply.

So let it be that the laboratories of the nation, together with the industrialist's dollar and the workman's initiative, may work together in the changing revolution against the *status quo* of things as they are so that we may discover ways of doing things better and thus progress.

MR. W. E. JOHNSTON (Carleton): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: There are a few second readings that may be advanced; if there are any items that any hon. member would like to be held over, that will be satisfactory.

THE CHILD WELFARE ACT

Hon. L. P. Cecile moves second reading of Bill No. 151, "An Act to amend The Child Welfare Act, 1954."

Motion agreed to; second reading of the bill.

THE CHANGE OF NAME ACT

Hon. A. K. Roberts moves second reading of Bill No. 152, "An Act to amend The Change of Name Act."

Motion agreed to; second reading of the bill.

THE SURROGATE COURTS ACT

Hon. Mr. Roberts moves second reading of Bill No. 153, "An Act to amend The Surrogate Courts Act."

Motion agreed to; second reading of the bill.

THE COUNTY JUDGES ACT

Hon. Mr. Roberts moves second reading of Bill No. 154, "An Act to amend The County Judges Act."

Motion agreed to; second reading of the bill.

GORDON WILLIAM INNES, M.P.P.

Hon. Mr. Roberts moves second reading of Bill No. 41, "An Act respecting Gordon William Innes, M.P.P."

Motion agreed to; second reading of the bill.

THE FINANCIAL ADMINISTRATION ACT

Hon. D. Porter moves second reading of Bill No. 159, "An Act to amend The Financial Administration Act, 1954."

Motion agreed to; second reading of the bill.

THE STATUTE LABOUR ACT

Hon. J. N. Allan moves second reading of Bill No. 162, "An Act to amend The Statute Labour Act."

Motion agreed to; second reading of the bill.

THE LEGISLATIVE ASSEMBLY ACT

Hon. Mr. Roberts moves second reading of Bill No. 163, "An Act to amend The Legislative Assembly Act."

Motion agreed to; second reading of the bill.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House may I advise the House there will be no night session tomorrow night. As a matter of fact, I would like to adjourn the House, if possible, at 5.30 o'clock because of the annual press dinner which is being held tomorrow night.

Tomorrow I do not propose to call any estimates because of the fact that it is a short afternoon, but I would like to deal with Bill No. 119, that is, The Mining Tax Act, and then to proceed with the second readings of the other Acts we have admitted tonight.

There are a number of second readings there. I would like the House to deal with the bills standing in the name of the hon. Minister Without Portfolio (Mr. Connell).

There will probably be some matters in committee tomorrow afternoon and if we have any time after that we will proceed with the budget debate, and I

expect the House will adjourn at 5.30 o'clock.

On Wednesday we will have the estimates of The Department of Welfare and a night session on Wednesday. On Thursday we will have the estimates of The Department of Highways and a night session on Thursday.

I think that is the bill of fare for the next few days.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10.35 of the clock p.m.



ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, March 26, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Tuesday, March 26, 1957

Presenting petition from Six Nations Iroquois Confederacy, Mr. Nixon	1569
Third report, standing committee on legal bills, Mr. Myers	1570
Second report, standing committee on mining, Mr. Noden	1570
Public Health Act, bill to amend, Mr. Phillips, second reading	1571
Pharmacy Act, 1953, bill to amend, Mr. Phillips, first reading	1573
Municipality of Metropolitan Toronto Act, 1953, bill to amend, Mr. Warrender, first reading	1573
Credit of the Consolidated Revenue Fund, bill authorizing the raising of money on, Mr. Porter, first reading	1573
Certification of plans of subdivision in order to establish title in land, bill to provide, Mr. Roberts, first reading	1574
Registry Act, bill to amend, Mr. Roberts, first reading	1574
Investigation of Titles Act, bill to amend, Mr. Roberts, first reading	1575
Mining Tax Act, bill to amend, Mr. Porter, first reading	1579
St. Lawrence Development Act, 1952 (No. 2), bill to amend, Mr. Connell, second reading	1597
Certain agreements entered into by the Hydro-Electric Power Commission of Ontario with certain Quebec power companies with respect to frequency standardization, bill to validate, Mr. Connell, second reading	1604
Cemeteries Act, bill to amend, Mr. Phillips, second reading	1609
Training Schools Act, bill to amend, third reading	1609
Mothers' and Dependent Children's Allowances Act, 1957, bill intituled, third reading	1609
Nursing Act, 1951, bill to amend, third reading	1609
Fire Marshals Act, bill to amend, third reading	1609
Old Age Assistance Act, 1951, bill to amend, third reading	1609
Disabled Persons' Allowances Act, 1955, bill to amend, third reading	1609
Blind Persons' Allowances Act, 1951, bill to amend, third reading	1609
Conservation Authorities Act, bill to amend, third reading	1609
Planning Act, 1955, bill to amend, third reading	1610
Telephone Act, 1954, bill to amend, third reading	1610
Dog Tax and Livestock Protection Act, bill to amend, third reading	1610
Private Hospitals Act, 1957, bill intituled, third reading	1610
Brucellosis Act, 1956, bill to amend, third reading	1610
Junior Farmer Establishment Act, 1952, bill to amend, third reading	1610
Local Improvement Act, bill to amend, third reading	1610
Fire Guardians Act, bill to amend, third reading	1610
Public Utilities Act, bill to amend, third reading	1610
Medical Act, bill to amend, third reading	1610
Labour Relations Act, bill to amend, third reading	1610
Industrial Standards Act, bill to amend, third reading	1610
Department of Labour Act, bill to amend, third reading	1610
Municipal Drainage Act, bill to amend, third reading	1610
Motion to adjourn, Mr. Frost, agreed to	1610

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

TUESDAY, MARCH 26, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

MR. H. C. NIXON (Brant): I am in receipt of a petition from the Six Nations "Iroquois" Confederacy of Grand River Country, which reads as follows:

To The Legislature of the Province of Ontario

HONOURABLE MEMBERS:

The Hereditary Council of the Six Nations Indians petitions the Ontario Legislature to repeal the Act to amend the Marriage Act (Statutes of Ontario, Chap. 45, 1956) on the grounds that the Ontario Legislature should never have passed this Act since it is an Act specifically applying to Indians and so not within the power of the Legislature of the Province of Ontario to so legislate.

In the alternative, the Council petitions that the aforementioned Act be submitted by the Lieutenant-Governor in Council to the Supreme Court of Ontario to rule as to the validity of the said Act pursuant to the Constitutional Questions Act, R.S.O., 1950, Chap. 65.

The resolution to forward this petition was passed unanimously by the Council of the Confederacy at a Special Council on the 17th day of March, 1957.

This Petition is hereby respectfully submitted.

(sgd)

CHIEF JOSEPH LOGAN SR. (ONONDAGA)
CHIEF EMERSON HILL (MOHAWK)
CHIEF JOSEPH LOGAN JR. (MOHAWK)
CHIEF FREEMAN GREEN (ONONDAGA)
CHIEF JAMES SILVERSMITH (SENECA)
CHIEF ALEX NANTICOKE (CAYUGA)
CHIEF SAMUEL A. ANDERSON (TUSCARORA)

I would ask permission to lay this on the table.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in response to that petition, that petition was not referred to me as one of the chiefs; I am not a hereditary chief of the Six Nations Indians but I am one of the chiefs. The matter was not referred to me, but I can assure the hon. member for Brant that as a chief of that reservation I will give it my very best attention.

MR. NIXON: I am sure they will appreciate it and expect it of the hon. Prime Minister.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I might say that I was able to borrow a letter we received from another party in that same reservation wishing to be appointed one to perform marriages, so we will table that also to show there are two sides to the story. So far as they are still carrying on, there was some change in the Act; it is free to Indians, and the hon. member is included.

MR. SPEAKER: This petition is not in the prescribed form but I will see that one in a prescribed form is presented to the Honourable the Lieutenant-Governor.

HON. MR. FROST: Mr. Speaker, if it is not in the prescribed form I think we should receive the petition because the Six Nations do not owe any allegiance to this Legislature, they owe

allegiance to the federal government. I think that is their position and I think we should recognize them as a government in themselves which is equal in status to ourselves.

MR. SPEAKER: A copy will be made and presented in the prescribed form.

Presenting reports by committees.

MR. R. M. MYERS (Waterloo South): Mr. Speaker, I beg leave to present the third report of the standing committee on legal bills and move its adoption.

CLERK OF THE HOUSE: Mr. Myers presents the third report of the standing committee on legal bills, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 95, An Act to amend The Law Society Act.

Bill No. 96, An Act to amend The Summary Convictions Act.

Bill No. 122, An Act to amend The Administration of Justice Expenses Act.

Bill No. 123, An Act to amend The Coroners Act.

Bill No. 124, An Act amend The Crown Witnesses Act.

Bill No. 125, An Act to amend The Crown Attorneys Act.

Your committee begs to report the following bill with amendment:

Bill No. 126, An Act to amend The Sheriffs Act.

MR. W. G. NODEN (Rainy River): Mr. Speaker, I beg leave to present the second report of the standing committee on mining and move its adoption.

CLERK OF THE HOUSE: Mr. Noden presents the second report of the standing committee on mining, as follows:

Your committee begs to report the following bill without amendment:

Bill No. 145, An Act to amend The Mining Act.

MR. D. C. MacDONALD (York South): Mr. Speaker, before this is adopted may I ask this question of the hon. Prime Minister, since the hon. Minister is not in the House. My impression was, when in the mining committee, that the hon. Minister had indicated clearly that in this commission of inquiry which the hon. Prime Minister said he would appoint to look into the problems that touch on lands and forests and mining, that anybody who has views they want to express with regard to the existing legislation would have the right to do so. I was told, and I seconded a motion in that belief, that that was the case.

Now I am told it is not certain that, for instance, unions that have representations they want to make with regard to safety legislation will have the right to make those representations. May I have the assurance of the hon. Prime Minister that anyone, including unions who are in these particular fields, will have the right to make representations to this commission of inquiry?

HON. MR. FROST: May I ask the hon. member, was the bill reported in its final form from the committee?

MR. MacDONALD: The hon. Minister indicated what he would like the committee to do, and the committee concurred—to accept the amendments that were being made this year in what he described as a “hold to the line” procedure until we could get the report from the commission of inquiry that the hon. Prime Minister indicated he was going to appoint, and when there were some discussions on this rather controversial subsection (2) with regard to the responsibility for safety, it was agreed—at least I understood it was agreed in the committee—that this was one phase that could be reviewed by this committee.

If the unions involved could come up with some sort of a formula, which apparently the department has not been able to do—a formula which would so alter it that it would not conflict with collective bargaining agreements, yet would leave responsibility for safety with management, the government would consider it. Is it clear that this committee can hear representations from anybody, including the unions?

HON. MR. FROST: My recollection of this bill is that it deals with the various sections relating to mine safety. May I give the hon. member my experience because a number of years ago, believe it or not, I was Minister of Mines, and I might say that I was appointed Minister of Mines on one of the 22 points that was not carried out—that an hon. Minister who really knew about mines would be appointed Minister of Mines.

That is the only part of the promise that has never been carried out but I did get a generous education afterwards.

What we did at that time was to introduce an Act similar to this Act, and it went to the committee of the House and afterwards there was a committee appointed representative of mine management and labour and others who were interested in the problem, and they went over it informally and agreed upon certain changes, and they were subsequently introduced.

I assume that is what was being suggested. If so, I would say, Mr. Speaker, that I would be very glad to give that undertaking.

My experience at that time was this: that no one really knew all the answers to the mining problem. As a matter of fact, we went as far afield as South Africa looking at some of the matters, I remember, relating to mine hoists and that sort of thing, and in the end we felt that we had met the highest standards we could acquire anywhere, and translated them into our Act.

To say that we reached all the answers would be quite incorrect, and I quite

agree that there should be very careful consideration of all these sections, or any controversial ones, and I would be very glad to give effect to that.

If the hon. member for York South would discuss with the hon. Minister of Mines, who is out today on some highly important business—if he would discuss with him the matter of a meeting to set up such a committee, I would be very glad.

Motion agreed to; report adopted.

MR. SPEAKER: Motions.

Introduction of bills.

THE PUBLIC HEALTH ACT

Hon. M. Phillips moves first reading of bill intituled, "An Act to amend The Public Health Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the powers of municipalities to fluoridate their water supply under The Public Health Act, The Public Utilities Act and The Municipal Act have been brought into question as a result of the decision of the Supreme Court of Ontario in Forest Hill against metropolitan Toronto, which has presently been appealed to the Supreme Court of Canada.

The judgment of the Supreme Court of Ontario, as delivered by the Chief Justice of Ontario, in part, reads as follows:

This brings me back to consideration of the provisions of section 41 of The Metropolitan Toronto Act and the question whether, in purported exercise of a power and duty to provide pure and wholesome water, the respondent can add some chemical substance to it for a medicinal purpose, where the water, without the addition of that substance, is already pure and wholesome.

It is not suggested that the addition of fluoride to the water makes the

water any purer and I think the evidence establishes that such addition does not make it less pure in the sense of a "pure water supply" for domestic use. The respondent contends that the word "wholesome" as used in this section and in section 12 of The Public Utilities Act, means "beneficial to health", and I am prepared to accept that definition for the purposes of this appeal.

All counsel agree that the word "wholesome" is a relative term. Water can be wholesome. Other waters may be more wholesome or less wholesome. I do not want to be understood as saying that a municipality entrusted with the duty of supplying wholesome water could not do something to make the water more wholesome in the sense of being more beneficial to health as water but I think a municipality enters a different field when it proposes to add to pure and wholesome water something for medicinal purposes and the real purpose is not to make the water pure and wholesome.

I do not think the Legislature intended that a municipality should be given power to prescribe medically for the health of its inhabitants by adding to the water supply anything such as fluoride for the purpose of improving the general health of the community. On the contrary, I think the Legislature in this province has left matters relating to the general public health of the community in The Department of Health with provincial regulations as to health and limited powers reposed in local boards of health and medical officers of health.

To hold that this by-law is valid because the water is still pure and wholesome after the addition of fluoride would be to sanction an indirect invasion by a municipality of a field of legislation not entrusted to it by the Legislature, or to sanction a municipality's exercise of a power which it does not possess under the guise of exercising a power which it does possess.

In my opinion, the by-law is invalid and should be quashed. It should be noted, however, that these proceedings have no bearing whatever on the merits or demerits of the fluoridation scheme. The court is dealing only with the legislative power of the respondent corporation.

In reaching the foregoing conclusion I have, to the best of my ability, given to The Metropolitan Toronto Act such fair, large and liberal construction and interpretation as, in my opinion, best ensures the attainment of the objects of that Act according to the true intent, meaning and spirit thereof.

This decision has been appealed to the Supreme Court of Canada whose judgment will be final.

In Ontario, we have 8 municipalities which on January 1, 1957, had fluoridation systems in actual operation. They are Sudbury, Thorold, Fort Erie, Deep River, Tisdale Township, Brockville, Oshawa and Brantford.

The city of Brantford has had their system in operation for more than 10 years and that city, as well as the other municipalities, has collected considerable data relative to the merits or otherwise of fluoridation with which the judgment of the Supreme Court in no way deals. The words of the Chief Justice of Ontario in this regard are as follows:

It should be noted, however, that these proceedings have no bearing whatever on the merits or demerits of the fluoridation scheme.

The purpose of this bill is to enable these 8 municipalities, but no others, to operate fluoridation systems in event of the Supreme Court of Canada sustaining the decision of the Supreme Court of Ontario. The merits or demerits of fluoridation can then be considered. This bill is to preserve the *status quo* in these 8 municipalities, subject to the following safeguards:

1. The council of such municipality may in its discretion terminate the operation of such system.

2. The council of such municipality may submit the question of continued operation to a vote of the electors.

3. The electors themselves may require a vote on a petition of 10 per cent. of the electors.

Again it should be emphasized that the purpose of this bill is to maintain the *status quo* in these 8 municipalities. In the event, however, of the decision of the Supreme Court of Ontario being upheld, it in no way extends the right to fluoridate water to any other municipality.

THE PHARMACY ACT, 1953

Hon. Mr. Phillips moves first reading of bill intituled, "An Act to amend The Pharmacy Act, 1953."

Motion agreed to; first reading of the bill.

He said: This is a very short amendment and it defines the word "drug."

"Drug" means,

(i) any substance that is named in the latest edition from time to time of the British Pharmacopeia, the British Pharmaceutical Codex, the Pharmacopeia of the United States of America, the National Formulary, the New and Non-official Remedies, the Canadian Formulary, the Codex Francais or the Pharmacopeia Internationalis,

(ii) any preparation containing any such substance, or

(iii) any substance that is offered for sale or sold for the prevention or treatment of any ailment, disease or physical disorder,

but does not include any such substance or preparation offered for sale or sold as, or as part of, a food, food supplement, drink or cosmetic or for any purpose other than the prevention or treatment of any ailment, disease or physical disorder.

MR. T. D. THOMAS (Oshawa): I would like to direct a question to the hon. Minister on the question of the fluoridation bill. Is this to be sent to the committee on health, or is it to be debated in the House?

HON. MR. PHILLIPS: I do not think so, no.

THE MUNICIPALITY OF METROPOLITAN TORONTO ACT, 1953

Hon. W. K. Warrender moves first reading of bill intituled, "An Act to amend The Municipality of Metropolitan Toronto Act, 1953."

Motion agreed to; first reading of the bill.

He said: These amendments are mainly procedural and technical and all have been requested by the council of metropolitan Toronto.

CONSOLIDATED REVENUE FUND

Hon. D. Porter moves first reading of bill intituled, "An Act authorizing the raising of money on the credit of the consolidated revenue fund."

Motion agreed to; first reading of the bill.

MR. OLIVER: Are the new taxes not going to raise enough money?

HON. MR. PORTER: I did not catch the question of the hon. Leader of the Opposition.

MR. OLIVER: I was asking the hon. Provincial Treasurer if he thought the new taxes were not going to raise enough money?

HON. MR. PORTER: Unfortunately, no. That is why I maintain that the new taxes, under the circum-

stances, are very moderate. I completely fail to understand the inability of the opposition to appreciate the problems involved.

MR. OLIVER: We do not see the whole significance?

HON. MR. PORTER: I do not see why the opposition should obstruct the proceedings of the government in such an unreasonable way.

MR. NIXON: May I ask the hon. Provincial Treasurer how much money it is proposed to raise?

HON. MR. PORTER: \$200 million.

HON. MR. FROST: May I point out to the hon. Leader of the Opposition it is fairly obvious that we will have to borrow, I think, up to \$100 million for the municipality alone under The Municipal Improvement Corporation Act and that is due to the failure of the Ottawa people to recognize the disabilities and problems of our municipalities.

MR. OLIVER: The government is just lending them the money; it will get it back. This government is not giving it.

CERTIFICATION OF PLANS OF SUBDIVISION IN ORDER TO ESTABLISH TITLE IN LAND

Hon. A. K. Roberts moves first reading of bill intituled, "An Act to provide Certification of Plans of Subdivision in Order to Establish Title in Land."

Motion agreed to; first reading of the bill.

He said: This is what I regard as an important bill and the preparation of the clauses of the bill has taken some little time.

I would like to say, as we are coming toward the end of the session, and this bill, if it is enacted, contains a paragraph that says it will come into effect by

proclamation, I would wish to not only have it go to committee but I would wish to have plenty of time for this bill to be circulated to any groups or associations that might be interested in it to make absolutely sure, before it actually becomes law, that it has all the requirements to achieve the ends that are intended and be accepted as good sound business.

It has, as its purpose, to provide a procedure to obtain a new root of title in effect upon registration of a plan of subdivision. I think it is most desirable to attain that end, if it can be done, in a reasonable and practical manner. Also it is important it be attained in such a way not to cause any road blocks or any undue delays.

There are two complementary bills which will be in the same position and all of them will become effective only on proclamation.

MR. R. MACAULAY (Riverdale): May I ask the hon. Minister a question on that bill? Where is this bill going to be studied? I understand it is to be proclaimed without the intention of implementing it. Who is going to study it? Is it going to be passed without proclaiming it? Is it going to be put before the legal bills committee?

HON. MR. ROBERTS: Quite so. If it is passed now and receives second reading and goes before the legal bills committee, at that time it will be studied, and I want to make it clear to the House that there is no intention to have this bill become law until it has had thorough circulation amongst those people who will be dealing with it, and it could, accordingly, not be proclaimed, if necessary, until the next session of the Legislature.

THE REGISTRY ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Registry Act."

Motion agreed to; first reading of the bill.

He said: This bill is a complementary bill and would provide, on proclamation, if it becomes law, that no plan of subdivision can be registered until the certification procedure that is outlined in the earlier bill has been completed.

THE INVESTIGATION OF TITLES ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Investigation of Titles Act."

Motion agreed to; first reading of the bill.

He said: This is still another bill, in the same position, complementary to the first one I introduced and will be in the same state as the first one.

MR. SPEAKER: Before the orders of the day I would like to welcome to the House this afternoon students from Earls court public school, Toronto; Wedgewood public school, Etobicoke; St. Clement's school, Preston; and Dunnville school, Dunnville. These pupils are here to view the proceedings of the House and we welcome them.

Before the orders of the day I have to inform the House my attention has been drawn to notice of motion No. 3 standing in the name of the hon. member for York South (Mr. MacDonald), and notice of motion No. 8 in the name of the hon. member for Wellington South (Mr. Worton). The question raised is as to whether or not these notices are in order.

With respect to the notice of motion No. 3, of the hon. member for York South, I would say this: this is a motion that in the opinion of this Legislature consideration should be given to the establishment of a student aid fund from which interest free loans can be financed to residents of Ontario who wish to continue their education beyond the secondary schools.

The wording of this motion is rather ambiguous. However, as it does not

clearly state that public moneys are to be used for the proposed student aid fund I have decided to give this motion the benefit of the doubt and allow it to remain on the order paper.

I now refer to the notice of motion, No. 8, of the hon. member for Wellington South, as follows:

In the opinion of this House the government's share of debenture payments for schools construction should be made at the time of the initial financing rather than as at present, over the term of the debenture.

As this notice clearly tends to direct the time and manner of grants out of public funds there can be no doubt that it is outside the competence of a private member. I have, therefore, directed the Clerk of the House to remove this notice from the order paper.

MR. F. R. OLIVER (Leader of the Opposition): Before the direction is executed, or at the same time as it is being executed, I would respectfully suggest that this motion standing in the name of the hon. member for Wellington South does not suggest or ask that additional funds should be moved in the direction of complying with this motion. All the motion does is to suggest that funds presently employed should be directed in a different manner. It is suggested, Mr. Speaker, that this is beyond the competence of an hon. member of the Legislature?

MR. SPEAKER: I have considered the whole matter; if moneys were to be paid in, that would mean that the government would be forced to borrow that amount of money and pay interest on it and therefore it would be money out of public funds. I have taken this whole matter into consideration and I cannot see where it is in order at all.

MR. OLIVER: Mr. Speaker, what is happening in conclusions of this kind, in respect to motions such as these? Is it that the opposition is being ruled

entirely out of appeal of making motions that deal with public moneys?

I was always of the impression that the restriction was this: a private hon. member or an hon. member of the opposition could not move to increase the payment of public moneys. However, this motion does not move to increase the spending of public moneys. The motion simply suggests that money is being spent in one direction and we think some money would be better employed if spent in another direction.

I cannot concur, Mr. Speaker, in your conclusion in this regard, I am very sorry to say, because if it were to be interpreted literally it would simply mean that the opposition would be barred from this field altogether, and to me it restricts unduly the rights of an opposition to deal with matters of this kind, and I would have to respectfully appeal your ruling on that, sorry as I am to do it.

MR. D. C. MacDONALD (York South): Mr. Speaker, may I ask this question in light of your ruling, because I think we should be clear on this point. My understanding of the practice in the House of Commons is that even if the motion does deal with money matters, you will avoid in effect directing the government to implement whatever the motion may be by use of this phraseology: "Consideration should be given to", so that it does not call for immediate action for the spending of money; it calls for consideration of a proposition which, if it is passed, then the government gives consideration to it.

I am wondering whether through use of this wording, my motion was saved by a hair's breadth, and that the lack of wording in the motion of the hon. member for Wellington South is what defeated it, because I agree with the hon. Leader of the Opposition, that the opposition should be clear that if we do use this phraseology, "that consideration should be given to the matter", that it is within the rules of the House.

HON. L. M. FROST (Prime Minister): May I say, Mr. Speaker, the

genesis really of the ruling which you have applied in the second motion is this: a resolution of a bill involving the spending of public moneys requires the assent of the Honourable the Lieutenant-Governor and the bringing down of a resolution to this House, and quite obviously the motion of the hon. member for Wellington South requires this, the raising and the expending of all of the moneys required for provincial contribution in one year instead of spreading it over 15 or 20 years, and it is obviously out of order. That would require the assent of the Honourable the Lieutenant-Governor.

As the hon. members opposite know, we are always very scrupulous of obtaining that assent because if it is not obtainable, it is not valid. That is the point. Personally, I have not given too much consideration to the hon. member's motion in reading it over. I thought it was out of order myself, but on the other hand, you have taken a very benevolent attitude towards it, and I do not feel disposed to appeal your ruling in that regard.

MR. OLIVER: If I may say, following what the hon. Prime Minister has said, I quite disagree with his summation in this respect: my hon. friend says that to implement the purpose of this resolution would call for a money bill. It would do no such thing, because, Mr. Speaker, we are not asking for additional money. It is simply a redirection of money already being spent.

HON. MR. FROST: There was a bill introduced here a moment ago calling for loans or authorization of loans up to \$200 million. If that resolution were adopted it is quite obvious we would have to have \$275 million or some other sum in order to pay those amounts.

MR. OLIVER: That is pretty technical, I would say.

HON. MR. FROST: No, it is not.

MR. SPEAKER: Would the hon. Leader of the Opposition like to challenge the ruling of the Speaker?

MR. OLIVER: I think we will do that. I cannot let that go, really.

YEAS

NAYS

Allan
(Haldimand-
Norfolk)

Innes
Manley

Allen
(Middlesex
South)

Nixon
Oliver
Reaume

Auld
Beckett

Spence
Whicher
Wintermeyer

Belisle

Worton

Boyer

Wren

Cass

— 10

Cathcart

Cecile

Chaput

Child

Collings

Connell

Cowling

Daley

Davies

Doucett

Dunbar

Dunlop

Dymond

Edwards

Elliott

Fishleigh

Foote

Frost

(Bracondale)

Frost

(Victoria)

Fullerton

Gisborn

Goodfellow

Graham

Griesinger

Grossman

Hall

Hanna

Herbert

Hunt

Jackson

Janes

Johnston

(Parry Sound)

YEAS—*Continued*

Johnston

(Simcoe Centre)

Johnston

(Carleton)

Jolley

Kerr

Lavergne

Letherby

Lewis

Lyons

Macaulay

MacDonald

Mackenzie

Maloney

Mapledoram

Monaghan

Morningstar

Morrow

Murdoch

Myers

Nickle

Noden

Parry

Phillips

Porter

Price

Prdy

Rankin

Roberts

Robson

Root

Rowntree

Sandercock

Scott

Spooner

Stewart

Sutton

Thomas

(Elgin)

Thomas

(Oshawa)

Villeneuve

Warrender

Yaremko

— 79

MR. SPEAKER: I declare the Speaker's ruling sustained.

MR. R. GISBORN (Wentworth East): Mr. Speaker, before the orders of the day, I would like to refer to a statement made in the House last night

by the hon. Provincial Secretary when he stated that Dr. Eugene Forsey had admitted to him—

HON. MR. DUNBAR: I did not say he admitted to me.

MR. MacDONALD: The hon. Provincial Secretary stated he admitted publicly.

MR. GISBORN: The hon. Provincial Secretary stated he admitted he was a communist at one time. I would like to bring to the attention of the House that the statement has been answered by Dr. Forsey in today's *Toronto Daily Star* and he says:

I never was a communist; Mr. Dunbar is a liar and I will sue him if he repeats it out of the House.

I would suggest that hon. members of this House stop this sort of thing. I feel there was ground for misunderstanding at this time, and I feel the hon. Provincial Secretary should be man enough to retract the statement or repeat the charge outside of the House.

HON. MR. DUNBAR: I am not going to retract anything I said last night. The hon. member for York South said, "Name one," and I just named one from my own riding who had made the statement during the Carleton election and Gratton O'Leary's reply was, "He says he was a communist once, let him tell us was it two years ago, was it one year ago, was it six months ago, or did he change his mind right on the platform?" Why did he not take action against Gratton O'Leary?

I wrote the hon. member a letter and sent him a note saying that I wanted to be kind to him last night, because in the very seat he is sitting in there was a man by the name of Carlin who had just as much to say as the hon. member has to say, when he was here with the CCF and did he not run as a communist later? Did he not? Did a lady who accompanied the late Miss

Agnes MacPhail in the House, did she not run as a communist?

How am I to believe that the hon. member for Wentworth East is not a communist? He may go out of the House and run as a communist, because that has been the record of his party.

MR. MacDONALD: Mr. Speaker, I rise on a question of privilege; no hon. member of this House can rise—

MR. SPEAKER: Order. State your question of privilege.

MR. MacDONALD: No hon. member of this House, no hon. member of the cabinet, has a right to rise and say any hon. member of this House is or is close to being a communist, that he may come back here and be a communist at another time. The hon. Provincial Secretary stated this man was a communist and Dr. Forsey has replied that the hon. Minister is a liar.

HON. MR. DUNBAR: Then if I called the hon. member for York South one, what would he say?

MR. MACAULAY: Mr. Speaker, on a point of order: I understand a point of privilege may be only spoken to by the person who speaks on a point of privilege himself.

There was no reference to the hon. member for York South, there was only reference to persons who were proved to be followers and the only person who was mentioned was the hon. member for Wentworth East, and he is the only one who has the right to rise on a question of privilege.

MR. MacDONALD: Mr. Speaker, I am rising on a question of privilege for a party of which I happen to be the leader.

MR. SPEAKER: The order is well taken, only the hon. member for Wentworth East has the right to answer.

MR. GIBBORN: I still say, Mr. Speaker, that to make a charge that a person was a communist or is one, it should either be proven or retracted, and if the charge is made against myself outside of this House, I would also sue anyone who said it.

HON. MR. DUNBAR: I am not saying the hon. member is a communist at all; I am saying all we have to go by is when hon. members of the CCF party have been sitting here and doing just as much talking as the leader of that party—

MR. MacDONALD: The hon. Provincial Secretary may come back as a Liberal.

HON. MR. DUNBAR: I say it may be, one never can tell, the hon. member may come back the next time as a communist.

MR. GIBBORN: The only point the hon. Provincial Secretary has made can reflect on any party; I think if he in caucus talked about this, there might be a difference of opinion on the point he wants to make, and if he wants to continue the matter, I might overlook my own integrity and make a few charges myself.

HON. MR. DUNBAR: The hon. member for Wentworth East may shuffle the cards all right, but he is not shuffling me. He may make \$1,000 in a poker game, but he will not make damages on me. I never mentioned his name; he was just asked, I suppose, by "Smartie" to get after me.

MR. MacDONALD: The hon. Provincial Secretary needs to smarten up and not make statements like that.

HON. MR. DUNBAR: The hon. member for York South would know Forsey because that is where he spent his war days in Ottawa right beside him.

MR. MacDONALD: Here comes that old charge again.

MR. SPEAKER: The hon. member for Russell has the floor.

MR. G. F. LAVERGNE (Russell): Mr. Speaker, before the orders of the day, I rise with a feeling of gratefulness and I might say of no little pride in informing the hon. members of this House who are safety-minded, and especially the hon. Attorney-General (Mr. Roberts) and the hon. Minister of Highways (Mr. Allan), that today in the municipality of Eastview, my home town, we enter the 700th day without a fatal accident.

MR. SPEAKER: Orders of the day.

THE MINING TAX ACT

Hon. D. Porter, in the absence of hon. Mr. Kelly, moves second reading of Bill No. 119, "An Act to amend The Mining Tax Act."

MR. NIXON: Is some hon. member going to explain the bill?

HON. D. PORTER (Provincial Treasurer): Mr. Speaker, this is another bill for the purpose of raising more revenue for the consolidated revenue fund. The main section of the bill is a very simple section; it increases the tax on profits from mining operations exceeding \$1 million.

The necessity for revenues by this province, I think should be apparent to every hon. member who has listened to the estimates so far, and listened to the hon. Prime Minister outlining the budget statement.

It is quite apparent that in spite of the increases of revenues which we are providing for, increases on roads and increases in one way or another, of different functions of different methods of taxation, even so we shall still require borrowings to make up about one-third

of the capital expenditures for the next year which is ahead of us.

Therefore, this is one means of raising a portion of that revenue. I also wish to remind the hon. Leader of the Opposition (Mr. Oliver) once again of his statement on February 5, 1957, where he was suggesting ways and means by which this government could raise money. I believe the hon. Prime Minister (Mr. Frost) spoke about the withholding tax, and the hon. Leader of the Opposition mentioned that there are taxes relating to logging and mining.

The hon. Prime Minister also pointed out that the federal government had offered certain concessions to this government and to other provinces in connection with the natural resources taxes, allowing them as deductions and allowing for extension of the basis for some of these taxes.

This is simply one bill by which we expect to raise further revenue for our purposes in this manner.

MR. A. WREN (Kenora): Without labouring the point much longer, because I think I have made our position clear on this matter on two other occasions, I still feel rather strongly that section 1 of this bill should remain at a rate of 11 cents on the annual profits above \$1 million and up to \$5 million, and the figure 12 per cent. in subsection (2) of section 1 should remain at 9 per cent.

And I repeat what I have said before, that I fail to understand why, in this period, it appears to be necessary that the natural resource industries—two of them in particular—should be singled out for the imposition of this additional tax, after having already raised the corporation tax to both industries in addition to that; and for that reason I cannot support this bill and I would say so now.

HON. L. M. FROST (Prime Minister): Mr. Speaker, following what the hon. Provincial Treasurer has said, the province is faced with the situation that it is necessary to raise more money in

order to carry on the operations of the province.

I would say to the hon. member for Kenora and to the hon. Leader of the Opposition and hon. members of his party that they are constantly demanding that we expend more money, and yet they object, as they have objected on all these many bills, when we attempt to raise more money.

This morning the hon. Leader of the Opposition was asking some questions in connection with the general revenues of the province and I hoped that we carried with us his commendation and not his condemnation for attempting to keep down the general tax rate of this province.

However, may I point out that these taxes have been imposed upon us by the government which he supports at Ottawa; and I say to the hon. member for Kenora that, as a matter of fact, it is proper and just that resource interests and companies in this province should pay this province more money.

I think, myself—and I believe the hon. Provincial Treasurer will agree—that where the defect comes in, the matter is that it really ought to be deductible, as the provinces have argued out of the tax returns of the federal government.

We are left holding the bag in connection with these large mining developments in this province; in the Manitowadge area and townsite alone we will have to expend and invest millions of dollars before we receive a cent out of those areas, while the Ottawa government sits down and clips the coupons in a big way.

I would say to the hon. member for Kenora the fault is not here; it is with those at Ottawa who are compelling this government to impose additional taxation and impose it in many ways in an unfair way, and in many ways causing us to impose double, multiple taxation in this province.

I was quite interested last Friday in reading in the papers of that day the comments of the federal hon. Minister

of Justice (Mr. Garson) in relation to Ontario's position. At that time he made certain observations in the House which have general relationship to this bill, because this bill is founded on the problems arising from our fiscal relationship with the federal government.

These comments were reported in the press of last Friday, and since that time I have had the opportunity of reading the hon. Mr. Garson's statement in *Hansard*, and I quote it to the House. This is the official quotation from *Hansard* itself:

Ontario, for several years . . .

and I will read this slowly because it is so fantastic that I would like it to sink into the hon. members in the group opposite.

Ontario, for several years, passed up hundreds of millions of dollars in rental payments which would otherwise have been available and which only in part were replaced by its own taxes in these fields.

Even yet Mr. Frost seems unsure in his own mind which is the proper course. While he is willing to rent the fields of personal income tax, which he apparently regards as less popular, he is unwilling to continue to contribute his help to maintaining a stable system of single corporation income tax. He intends to impose an additional income tax on Ontario corporations rather than sign a rental agreement with the government of Canada . . .

I tear that apart in 3 pieces. First of all, let me say that hon. Mr. Garson's statement that "Ontario passed up hundreds of millions of dollars in rental payments" is so incorrect and so absurd that it really needs no answer at all.

MR. OLIVER: How much did the hon. Prime Minister pass up?

HON. MR. FROST: I will give the hon. Leader of the Opposition an answer if he will sit quietly. He has had the

advantage of sitting here discussing it for 5 years, and if he does not understand now, I will really have to give him up as hopeless.

MR. WHICHER: This is on the mining tax?

HON. MR. FROST: Hon. Mr. Garson says:

Ontario passed up hundreds of millions of dollars in rental payments.

This is so incorrect and so absurd that it really needs no answer, except for one or two of the hon. members opposite to whom I have always to repeat the story.

I say that we have passed up nothing from the federal government. We did not lose one dollar by not entering the agreement of 1947, and in place of that we gained a very great deal of money.

Hon. Mr. Garson's statement reveals such a fundamental lack of understanding of Ontario's problems that perhaps there is little to be gained by refuting it — that is, so far as he is concerned, but I hold brighter hopes for his friends, the hon. members in the group opposite in this House.

I am obliged to regard such charges from the standpoint of my position as the head of the government of this large and rapidly-expanding industrial province which earns nearly half of the taxes of the federal government. I am speaking on behalf of the people, not only of our province, but on behalf of the municipalities which are all faced with difficulties associated with economic growth, expansion and development.

The true situation could be described as follows:

1. During the period of the first tax rental agreement which extended from April 1, 1947 to March 1, 1952, Ontario exercised its own tax rates in the field of corporation tax and succession duties.

The terms of the federal government rental proposals to Ontario were so inadequate and so niggardly that the

province obtained more revenue from its occupation of corporation income tax and succession duty fields alone than it would have obtained from the federal government in a rental arrangement which covered all 3 tax fields. We received more money from two than we would have received from the 3 which they wanted to rent.

In this 5 year period, Ontario collected from succession duties and corporation taxes, \$19 million more than it would have received altogether under the tax rental agreement. That is in the place of the hundreds of millions of dollars he said we lost. We gained \$19 million over and above what we would have received from the rental arrangement.

If, in addition, Ontario had imposed a personal income tax of 5 per cent., it would have been deductible from the federal tax and would have received an additional \$72 million. Thus, the fields which Ontario retained, did not rent, were capable of producing at least \$91 million more revenue in this 5 year period than the rental agreement provided for altogether.

Within that personal income tax, it was in Ontario's interest to remain out of the rental agreement as offered to Ontario at that time. Hon. Mr. Garson's statement that Ontario passed up hundreds of millions of dollars in rental payments is completely misleading and completely absurd.

2. For the period April 1, 1952 to March 31, 1957, Ontario reluctantly entered into a rental agreement. At the time the matter was explained to this House — October 21, 1952 — I pointed out:

The signing of this agreement will not solve Ontario's tax problems. It is, at best, a stop-gap, pending the working out of a more satisfactory distribution of tax and revenue sources. Nor does the agreement provide a solution to the municipal problem which is, in turn, dependent on a shift of taxes and revenues from the federal government to the provinces

and from the provinces to the municipalities.

We have urged the federal government to begin discussions with the provinces now with a view to obtaining these objectives. The present tax system is outmoded. The rapid growth of industry and population in Ontario has created enormous demands for provincial and municipal public services in the form of new hospitals, schools, highways, sewers, waterworks and projects for conservation and pollution control. But in the face of this expansion, the tax structure has remained immobile and out of balance with the requirements of the provinces and municipalities.

The proposal for this second period, 1952-1957, was obviously better than the federal proposal for the first period from 1947 to 1952. Why did Ontario enter into this stop-gap arrangement? Merely because it was the only method possible by which Ontario could obtain a return from the personal income tax field.

I want the hon. member for Waterloo North (Mr. Wintermeyer) to listen to this very carefully, because this is the answer.

MR. J. J. WINTERMEYER (Waterloo North): Before the hon. Prime Minister gets into that, may I ask this: In 1947 to 1951, did this government impose a personal income tax?

HON. MR. FROST: No, we did not.

MR. WINTERMEYER: Has the hon. Prime Minister any idea what the 5 per cent. rebate would have been?

HON. MR. FROST: \$72 million. And I say this to the hon. member for Waterloo North, the federal government in all conscientiousness owes us that \$72 million today. I would say they have cheated us out of that \$72 million.

I will come to the question of income taxes and will discuss it in just a moment.

The federal government adopted the intransigent attitude that if Ontario was not prepared to rent the corporation tax field then they would pay nothing as rental for the personal income tax field. That is the position they took in 1952, and it is a position which got them into plenty of trouble, in 1952. They listened to Quebec but they will not listen to us, and I do not think they will listen to us until the electors of this province assert themselves.

For that reason, I reluctantly recommended to the House, the province entering into this agreement which was inadequate for Ontario's needs, but provided the only practicable way of receiving any return from the personal income tax field.

May I give the reason for that — and in this, I speak to the hon. member for Waterloo North, because I think he possesses a very reasonable degree of intelligence and I think he will see why this was required.

May I point out that a very large proportion of Canada's income taxpayers reside in Ontario. They are subject to tax deductions at source which in some cases go up to 95 per cent. and even more of the tax payable.

It is quite obvious that if Ontario were to enter this field, it would be necessary to submit our taxpayers to the inconvenience of having provincial deductions made which would be in excess of the amount of income tax they would finally have to pay.

This method would involve both the federal and provincial authorities in the unthinkable system of having to make hundreds of thousands of refunds to our taxpayers. Personal income tax has to be collected by one authority to avoid many complex administrative difficulties and inconvenience, which I have outlined.

The alternative, of course, would be to impose, say, a 15 per cent. tax or a

10 per cent. tax as is done in Quebec on incomes over, say, \$3,500 or over \$3,000. We have considered that and we do not consider that the system would be desirable in this province.

For the hon. Mr. Garson to say that I am unwilling to rent the personal income tax field, which I apparently regard as less popular, is begging the question.

The hon. Mr. Garson knows, or if he does not know, he ought to know, that it is not feasible in Ontario with two million personal income taxpayers to impose a personal income tax on all of those taxpayers. It would be, I think, in the judgment of the government and, I am sure, of the hon. members of this House, very undesirable to impose a 10 per cent. or a 15 per cent. tax on incomes above \$3,000 or \$3,500.

May I say that it is the only way. It would only be by that expedient that in some way we might ameliorate the difficulties imposed by the fact that the federal government is making practically a 100 per cent. collection at the source.

For the period April 1, 1957, to March 31, 1962, the federal government is offering to Ontario what I have referred to as a niggardly recognition of the problems of this province. They propose to make available for provincial use 9 percentage points of corporation taxable income, 10 per cent. of federal collections of personal income tax and 50 per cent. of federal rates of succession duties.

The aggregate Ontario revenue from these abatements — which are only a small fraction of the federal government's tax — is at least \$100 million short of what this province requires from these fields. The Ontario government can realize adequate revenue only by imposing double taxation.

That is my answer to the hon. member for Kenora who bemoans the fact that we have to impose these additional taxes. I say again, we require at least another \$100 million from these tax fields to produce any equity at all.

We now have the almost unbelievable situation that the federal government is providing an adjustment subsidy or equalization payment to one of the western provinces that will more than enable it to pay a dividend to its people. At the same time, it fails to provide adjustment grants to the maritime provinces sufficient to keep them out of a deficit position.

Furthermore, it deprives this province of Ontario — which does not receive an adjustment payment of sufficient tax room to meet its basic needs. The most charitable interpretation that can be placed upon this arrangement is that it is unrealistic.

At the outset, I said I was representing the people of this province. I would suggest that the hon. Mr. Garson walk along the streets of Ontario and talk to the small taxpayers of our towns and cities and see how they are being overburdened and overwhelmed by the federal government's lack of understanding, and indeed his own lack of understanding of the problems of our people.

The other morning I had the opportunity of sitting in with representatives of some of our rapidly growing municipalities — among them Riverside, Windsor, Sarnia, Wallaceburg, Niagara Falls, Sault Ste. Marie, Chatham, and Amherstburg. Their problem is simply this — that by reason of the concentration of industry and people who are contributing to the federal treasury to the extent of a \$500 million surplus this year, because that has happened and because the federal government is gouging out of our people \$500 million which is not required to run the operations of that government, these municipalities are confronted with problems of obtaining sufficient money for their essential requirements.

These problems have arisen despite the fact that the province of Ontario is giving them and other Ontario municipalities about 40 per cent. of its revenue — 40 per cent. of the revenues that are imposed by the authority of

this House are being given to our municipalities today, and are not meeting the requirements.

That is the reason that I say there is a lack of understanding and a lack of a realistic approach on the part of the federal government, of which the hon. Mr. Garson is now the mouthpiece.

This is all I need to say regarding the federal government's indifference and ignorance of the plight of the people of this province, and of the hon. Mr. Garson's statement which indicates an abysmal ignorance of the problems of Ontario's people. As a federal hon. Minister he is a good Premier of Manitoba. That is the best I can say of his speech.

MR. WINTERMEYER: Mr. Speaker, would the hon. Prime Minister permit a few questions?

HON. MR. FROST: Yes.

MR. WINTERMEYER: In the hon. Prime Minister's reference to 9 per cent. of the corporation tax rebate, am I correct in saying that it is 9 per cent. of the taxable income, not 9 per cent. of the tax?

HON. MR. FROST: That is correct.

MR. WINTERMEYER: So if we consider that it is normally 50 per cent. or approximately 50 per cent., it would be 18 per cent. of the tax paid by the corporation is returned, or at least rebated from Ottawa to Ontario.

HON. MR. FROST: What is that again?

MR. WINTERMEYER: If the hon. Prime Minister says that 9 per cent. of the taxable income tax is rebated —

HON. MR. FROST: It is not rebated. We impose a 9 per cent. tax and it is abated from their tax.

MR. WINTERMEYER: I am sorry. At the present time we are not going into

that, we are signing an agreement with Ottawa. If we do not, they would have rebated 9 per cent. of the tax income.

HON. MR. FROST: If we entered the field?

MR. WINTERMEYER: Yes.

HON. MR. FROST: Yes.

MR. WINTERMEYER: Which would be approximately equivalent to 18 per cent. of the taxes paid by Ontario.

HON. MR. PORTER: Well, that is on several "ifs".

MR. WINTERMEYER: Let hon. members get the phraseology correctly.

HON. MR. FROST: May I point out the 9 per cent. is not calculated across Canada; it is the 9 per cent. under the federal arrangement and under our own, and is calculated on the taxable income of Ontario.

MR. WINTERMEYER: That is right, for corporations.

HON. MR. FROST: That is right.

MR. WINTERMEYER: But on personal income it is 10 per cent. of the actual tax.

HON. MR. FROST: Yes, of the tax.

MR. WINTERMEYER: And it is 9 per cent. of the taxable income.

HON. MR. PORTER: It is 9 per cent. to us and 38 per cent. to them.

HON. MR. FROST: I point out to the hon. member that constitutionally we have equal rights in that field with them.

MR. WINTERMEYER: Let us take one thing at a time. Am I correct in saying that if we relate both things to

actual taxes paid, that it would in reality be 10 per cent. of the personal income tax which is paid in Ontario, and about 18 per cent. of the corporation income tax?

HON. MR. FROST: No.

MR. WINTERMEYER: Mr. Speaker, we must have some degree of uniformity here. Either we are right or we are wrong. As I understand the agreement, although we did not go into it, the offer on the part of Ottawa was to rebate 10 per cent. of the personal income taxes collected from Ontario residents. That is correct. There is no question about that.

HON. MR. FROST: Yes.

MR. WINTERMEYER: And with respect to corporations, it was not 9 per cent. of the corporation taxes collected from Ontario corporations, but it was 9 per cent. of the taxable income of Ontario corporations.

MR. R. MACAULAY (Riverdale): That is wrong.

MR. WINTERMEYER: What is it?

MR. MACAULAY: It is 9 per cent. of the corporation proceeds deemed to be earned in Ontario according to a government formula, so the hon. member is wrong.

MR. WINTERMEYER: I will accept the hon. member's definition that it is 9 per cent. of what he has defined, but that in effect is the approximate equivalent of 18 per cent. of the tax collected.

MR. MACAULAY: No, that is the assumption that there was a 50 per cent. tax, but there is no 50 per cent. tax.

MR. WINTERMEYER: Well, 47 per cent.

MR. MACAULAY: That is the kind of figuring the hon. members work on.

MR. WINTERMEYER: Mr. Speaker, I am all the more determined to make my point. It is true there is a variation between 47 per cent. and 50 per cent., but if my 18 per cent. is to be amended slightly, it may be 17.5 per cent.

MR. MACAULAY: Or 15 per cent.

MR. WINTERMEYER: As a matter of fact, to be accurate about it, it is 19 per cent.

HON. MR. FROST: Mr. Speaker, what is the value of that? Does the hon. member for one moment assume that some day the federal government will impose a tax of 100 per cent. on corporate income? What possible sense is there to it? The hon. member is comparing two different things.

The federal government recognizes, as we recognize now, that there are very great difficulties in imposing a tax which is not collected by one authority. As far as personal income tax is concerned, the federal payment to us is on the basis of 10 per cent. of their 1956 collection in Ontario. That is on the basis of tax collected.

I would point out that there are taxes on a graduated basis in some cases where there may be only a small percentage of income, and they may run up to 75 per cent. of personal income, but we, under this arrangement, in order to avoid the problems of multiple taxation which would be impossible in a province like this, receive 10 per cent. of what they collect.

I ask the hon. member first of all if that is not a niggardly allowance, giving us one-tenth of what they collect in personal income tax? Our request was a very modest one in order to arrive at a settlement of 15 per cent.

MR. R. WHICHER (Bruce): How much would the collection costs be? This government suggested 5 per cent. or 6 per cent. for hospitalization.

HON. MR. FROST: They assume the collection costs would be on a basis of collecting for us in that field. Now mark you, they would not collect more than 10 per cent. They would not collect 10, 11 or 15 per cent.; they would not have anything to do with it, but they would have charged us on a collection basis, I think it was 3 per cent. of the tax, which we thought was quite high.

MR. WHICHER: The hon. Prime Minister suggested 5 or 6 per cent. for hospitalization.

HON. MR. FROST: They have all the machinery and would collect only the one tax. I would point out that in corporation tax the system is entirely different from that, it is 10 per cent. of the corporation's taxable income or taxable profits, it is on a different basis altogether and the two cannot be compared. There is no use in saying it is 19, 20 or 25 per cent.

As a matter of fact, this is the truth of the situation, they give us the right to tax in 10 per cent. of the corporation income field and they retain for themselves 90 per cent. of that field. That is the fact, and they are now imposing taxes of 38 per cent., and if they reduce their tax to 38 per cent. and we are imposing 9 per cent. plus 2 per cent., the 2 per cent. runs as double taxation and our tax becomes 11 per cent. That is the situation.

MR. WINTERMEYER: Mr. Speaker, I would like to persist in this for just a moment longer. I made this calculation: at the present time the federal corporate tax basic rate is 45 per cent., and 2 per cent. is for the old age pension and likewise. Of that 45 per cent., the offer was to rebate 9 points, 9 over 45, or one-fifth, so they in fact agreed to rebate one-fifth of the amount of money they collected from the corporation income tax earned in Ontario.

I do not think we need to debate this, but I do not think it is fair to say they are rebating only 10 per cent. or 9 per

cent. of the amount of corporate tax collected; that is not the case. It is about 20 per cent. or one-fifth.

HON. MR. FROST: I did not say that at all.

MR. WINTERMEYER: Mr. Speaker, I will appeal to you that, in the hon. Prime Minister's analysis, I listened very carefully and in that he used exactly the same phraseology —

HON. MR. FROST: What I said was this: they propose to make available for provincial use 9 percentage points of corporation tax. They propose to make 9 percentage points and 10 per cent. of federal collections on personal income tax. The hon. member must remember this when he talks about these tax fields constitutionally. I know the hon. member will agree that we have as much right to be in them as Ottawa has, and we have about 50 per cent. interest in the field, and are not asking for a 50 per cent. interest in the field. In the corporation tax field we ask for 15 per cent., and in the personal income tax field we ask for 15 per cent. of the amount of their collections as of a base year, and that would have given us an adequate amount of money — I would not say adequate money, but it would have given us the reasonable requirements of the province for the next period of years.

MR. WINTERMEYER: Mr. Speaker, with respect to the constitutional problem, may I say that of course we have equal rights, but let me point out, as the hon. Prime Minister has said, we provide approximately 40 per cent. of the municipal revenue by virtue of payments from the provincial level to the municipal level. However, at the present time under this ignominious arrangement, Ottawa provides us with about 42 per cent. of our total revenue, or 42 per cent. at least of our expenditures, and I do not see that there is anything grossly unfair about that. Dollar-wise their budget is 10 times ours, they require more.

HON. MR. PORTER: They are taking in a great deal more than they need or ever dreamed they would need.

MR. WHICHER: This government is doing the same thing.

HON. MR. PORTER: No, we are not.

MR. SPEAKER: Order.

HON. MR. FROST: I may say that, perhaps, in the statement I made that I did leave it open in connection with corporation tax, through a misunderstanding, for this reason, that I said it was 9 percentage points of corporation income tax.

The hon. member is quite correct. It is not 9 percentage points of their tax; it is 9 percentage points of corporation income altogether. It is on that premise that I am acting, and if there is a misunderstanding I would like to correct it. It is 9 percentage points of corporation taxable income.

MR. WINTERMEYER: That is right.

HON. MR. FROST: And it is 10 per cent. of the amount of federal collections in the base year, 1956.

Again, I point out that they are two different things. What we ask is the 15 per cent. of the taxable corporate income that should be allowed as space in which the province would operate; we ask for 15 per cent. of their collections in personal income tax in the base year in order to avoid those complications that I have mentioned in the matter of collection.

HON. MR. PORTER: May I just add this, that the 9 per cent. abatement that was offered amounted, in effect, to only about one-half of one per cent. more than we were receiving under the agreement. Under the agreement the basis was not 7 per cent. for corporation income tax, but in addition to that they

made an allowance for the special corporation income taxes which had been imposed by the province before we entered into the agreement, bringing up the total amount — the proportion of the rental — that could be attributable to corporation income tax to about 8.5 per cent.

Therefore, the only improvement insofar as corporation income tax is concerned in the present offer of the federal government, compared with what we had under the last agreement, is one-half of one per cent. of corporate income. That is all that has been offered. That is all we receive. That is all that it amounted to.

MR. WINTERMEYER: But, to be fair, they have vacated several of the other fields — the insurance fields and similar fields.

HON. MR. PORTER: They have also abandoned the escalator provision we had in the old agreement, and we lose \$10 million by that; and we are going to take advantage of some of the slight concessions they offer in the natural resources fields of taxation. They want us to get into that. They say that is where we should be raising the money, and that is what we are doing — because we have no alternative. We are forced to.

MR. WINTERMEYER: I would like to ask the hon. Provincial Treasurer a question. The hon. Prime Minister suggested we get 9 per cent. of the 45 per cent.—

MR. MACAULAY: It is 9 per cent. of corporate income, according to the formula; not 9 per cent. of the 47 per cent., or —

HON. MR. FROST: What I should have said was 9 percentage points of corporation taxable income.

MR. WINTERMEYER: Yes.

HON. MR. FROST: I said it was corporation income tax.

MR. WINTERMEYER: Related to taxes collected, it would be in the vicinity of 18 per cent. or 20 per cent.

HON. MR. FROST: That may be.

MR. WINTERMEYER: It will be a percentage of corporate income tax collected by both governments; it is on that basis.

MR. D. C. MacDONALD (York South): Mr. Speaker, in speaking briefly to the second reading of this bill, I would like to commence with a quotation to which I would ask hon. members of the House to listen rather carefully, with a special plea to hon. members of the Liberal party that they should give particular attention to it.

This is a quotation from the inaugural speech of His Royal Highness the Duke of Edinburgh to the conference on human relations convened last year in Great Britain, on June 9, 1956, to which were invited representatives of labour and others, all across the world. This is what the Duke of Edinburgh said:

Industry is not an end in itself. It is only the means to an end. The community is more important than industry. We must take into account that all people are primarily citizens and not just workers with a bit of a private life. I see no advantage in a prosperous and powerful state if it is achieved at the expense of human freedom and happiness.

I happened to come across this quotation, and with reference to the debates on many phases of legislation which have come before this House, it struck me that it aptly sums up the point I have been making here on behalf of the CCF.

We have, in the province of Ontario, the mining industry which is now riding the crest, as the hon. Minister states, with an annual productive wealth of \$650 million. This wealth is based on a resource which we own and this tax is a return for the leasing of them. I submit that if there is anything wrong

with what this government is doing, it is that they are not going far enough in getting from this group of corporations, representing this production of wealth in this province, sufficient of the revenue to meet the needs of the people in this province. It is implicit in that quotation by the Duke of Edinburgh that the people's needs are the primary concern, and therefore should be the prime interest.

What we have had in the general pleas from the spokesmen for the Liberal party in all this financial legislation is that we have got to give primary consideration to industry—

MR. WINTERMEYER: I object to that. I never did say that. I believe that, fundamentally, I am as interested as the hon. member for York South in human dignity. I have said that a good many times; but we are not going to improve human dignity by destroying industry.

MR. MacDONALD: May I remind the hon. member that when we started raising money by taxes, and particularly income tax, about 40 or 50 years ago, the plea was that we were going to destroy individual industries which had accumulated wealth; we were going to destroy corporations. This is the plea today all down the line by every Liberal party spokesman, that any tax that is going to be placed on a corporation must be examined on the basis of the corporation and whether it is a legitimate increase in revenue to meet the needs of the people.

There is no point, I suggest, in putting up a plea for human dignity and being unwilling to raise money from where the money is. Unless we are willing to raise the revenue to bolster this human dignity, save it from the kind of degradation represented by our old age pension level and all those other things, if you are going to meet the needs of the people, we have to raise the money from where the money is.

We in the CCF support this bill because it is raising some more of the money from where the money is, and at

the same time, it is bringing a little more equity into the tax structure. If we have any criticism, the criticism is that it does not go far enough; but we will support the government in the step it has taken, even although it is a small step.

MR. MACAULAY: I want to speak for just a moment on this bill, on a point which arises from several remarks which were made by the hon. members of the Liberal party opposite—and something which has amazed me for a long time, or, at any rate, for this session, is the cry of the hon. members opposite that there was no need to impose new taxes because no case had been made out for increased revenue. I think that fairly puts the position.

If we are not short of money, and if there is not a need for more money, then pray tell me how the debt last year could have increased by \$81 million?

AN HON. MEMBER: Silence!

MR. MACAULAY: How could the hon. members opposite sit in anything but silence?

MR. WINTERMEYER: I was extending to the speaker the courtesy of—

MR. MACAULAY: I could hear a pin drop.

MR. WINTERMEYER: Well, may I ask the hon. member for Riverdale whether he thinks our position can be simplified to the extent of saying that we suggested that the government does not need any more revenue? Is that what he is saying?

MR. MACAULAY: I do not want to misrepresent the position of hon. members opposite. I understood that it was said on behalf of their party that we do not need to increase these taxes because the government failed to make a case that they are short of money.

It has been said by the hon. member for Bruce—and I took down his precise words—"We are taking in more than

we need." If we are taking in more than we need, can any hon. member tell me how, last year, we could have gone into debt by \$81 million, and, next year, even on a conservative estimation—with a small "c"—I would estimate that we are going into debt by from \$75 million to \$100 million? If we are going to go nearly \$200 million in debt in a 24-month period, can hon. members opposite really tell me that we are not short of money?

MR. WHICHER: I think I should have the privilege of answering that question because my name was mentioned.

When I made that statement, I certainly took into account this factor: that when the budget was presented by the hon. Provincial Treasurer he did not, under any circumstances, disclose to this House that there was an actual 10 per cent. increase in revenue every year in this province. There will be in 1958, and there has been for the last 5 previous years.

I say to the hon. member for Riverdale that if this government would come to us and say: "We are going to increase these taxes for a definite reason," or that "We are going to retire our debt in an orderly fashion," and, at the same time, take into account this extra \$57 or \$60 million that it is going to receive in the year 1958 that it has not taken into account—

HON. MR. PORTER: Which \$58 million?

MR. WHICHER: The 10 per cent. that comes along as a natural increase in taxes. It happened last year and the year before, and it will happen again next year.

MR. MACAULAY: The hon. member was answering my question. Would he please just continue with that?

MR. WHICHER: If the hon. Provincial Treasurer would explain to hon. members this natural 10 per cent. in-

crease, it would be only fair. The hon. member is a great man for figures; I think he wants to be fair. This is an increase that has happened over a period of some several years and, I suggest, it is also going to happen in the year 1958.

That is the reason we say this \$60 million has not been accounted for by the hon. Provincial Treasurer and, therefore, it is why this money which is being given back to the municipalities for educational purposes is available without an additional increase in taxes.

If the hon. Provincial Treasurer would say we are raising these taxes for an orderly decrease in debt, and that we will not hide the money away in highway reserve funds and other sinking funds, then we say we are quite willing to support these bills. That is our position, and that is what I was referring to when I made that remark.

MR. MACAULAY: First of all, there are two rather fundamental errors in the thinking of the hon. member. The hon. member cannot very well help us in relation to last year's increase of debt, when last year, according to his thinking, if he had made the same statement a year ago the same thing would have been true, yet we ended up with an increased debt of \$81.4 million. The year before, we added millions and have added millions and millions. In fact, we have not had a surplus in 8 years.

MR. WINTERMEYER: Would the hon. member permit a question at this point?

MR. MACAULAY: May I finish answering the questions put just a moment ago?

The second fundamental error, in the hon. member's thinking, although there is a natural increase in increment in revenue—if he has followed the figures from 1945—there has been more than an equal increment in spending. It has more than taken up the natural increase in revenue.

MR. OLIVER: Where did the government get the money for the supplementary account?

MR. MACAULAY: That money came, in effect, from borrowing. If we end up the year having brought money in and having spent \$81.4 million more than we received, I do not care which account it came from, the end and soluble result is simply this: that we went into debt by \$81.4 million, then we borrowed it, and I do not care if the hon. members shuffle it around like Houdini.

Last year we borrowed \$81.4 million. I do not care where it came from or who in this House rises and says it is not right; because it is right. Anybody who has to borrow \$81.4 million is short of money. That is a simple fact.

MR. WINTERMEYER: Mr. Speaker, may I ask a question?

MR. MACAULAY: I do not mind, I rather enjoy a debate, but we are anxious to adjourn this evening, and if I may I would like to just finish these few brief remarks and then I will go back to the hon. member's question.

I submit it is an artificial premise from which the hon. members opposite commenced. They say we are not short of money; yet, last year, we went into debt by \$81.4 million. I think I will be able to rise and say to the hon. member for Bruce next year, at exactly this time, when he may be voting then against some bill before this House: "I told the hon. member in 1957 that we would increase our debt by \$75 million to \$100 million, even with the increased revenue to come from every single tax presented to this House which the hon. member's party, without fail, has voted against on every occasion this session."

The interesting point to me is this:

Having overlooked, entirely, this question of our increased debt of \$81.4 million, the hon. members, as a party go on and talk about taking in a greater proportion of the municipalities' roads

into the Ontario highway system. Has the hon. member ever indicated how much that would cost on top of all this? I estimate it would cost about \$10 million.

They lament that this government is not paying 50 per cent. of the costs of education in Ontario, and do they know how much more that would cost? About \$60 million.

They lament that we are not making a greater contribution to the municipalities. Do they know how much the municipalities are asking for? \$50 million.

If they add the \$50 million the municipalities want to the \$60 million they want us to add to educational grants—

MR. MacDONALD: \$40 million.

MR. MACAULAY: If \$140 million is 35 per cent., then 50 per cent. would be an increase of \$60 million.

MR. MacDONALD: \$250 million is the developed expenditure this year.

MR. MACAULAY: Mr. Speaker, I am relying only on what the hon. member himself has said, that we only contribute 35 per cent. to the cost of education in Ontario. If the \$140 million we are going to spend is 35 per cent., perforce, to pay 50 per cent. would increase it by \$60 million.

The hon. member is fast with a buck and can figure it out. I have written this while sitting here, and those are my figures.

May I ask the hon. member for York South how many millions does he say; I say \$60 million and he says it should be what?

MR. MacDONALD: I can explain it very briefly.

MR. MACAULAY: If I could just have the figure.

MR. MacDONALD: \$40 million.

MR. MACAULAY: Say that it is \$40 million; that the hon. member is right and I am wrong. \$40 million and \$50 million and \$10 million is an additional \$100 million. Last year we went into debt by \$84 million. And they want us to spend, at least, just on those 3 items, another \$100 million.

I am satisfied that we are going into debt another \$75 million or \$100 million this year. If that is true, and I do not hear any hon. member denying that it is true, because it is based on the facts, where exactly is the money going to come from? It can come from only a few basic sources. It can come from increased borrowing, and yet the hon. members of the opposition party want us to take a more regularized system of debt reduction over 50 years.

MR. MacDONALD: And the hon. member does, too.

MR. MACAULAY: I do. To reduce our debt on a 50 year basis would cost \$17 million a year. I have just worked that out, also, but the hon. members can calculate and tell me if I am wrong. That is in addition to \$100 million that I am talking about. Where are we going to raise the money that we are talking about?

We receive it from Ottawa; we get it from borrowing or we get it from taxes. Hon. opposition members have said we have been generously treated by Ottawa; yet they do not want us to borrow any more. We are left with one alternative; to raise taxes, and the minute a tax is introduced in this House, it is voted against. The hon. members voted against every single one of them.

MR. MacDONALD: They have not a leg to stand on.

MR. MACAULAY: Of course, they have not a leg to stand on. As a matter of fact, much as on occasion I disagreed with the hon. member for York South, I have not any hesitation in saying this to him, and I do not know whether it

requires courage of not — one of the objections I also have to the logging tax, the mining tax and the corporation tax, and so on, is that they were not raised high enough.

I want to return to one of the points which was made by the hon. Leader of the Opposition, to which the hon. Provincial Treasurer has made some reference, and I think it is an interesting point. I got into a little hot water or a short discussion with the hon. Leader of the Opposition and I was in error. We were calculating openly in this House between ourselves, when adding a few millions to another few millions, how much money we could expect to receive from Ottawa, and the hon. Leader of the Opposition at page 149 of *Hansard* said that the fringe benefits of this benefit were going to amount to about \$10 million.

I want to ask the hon. Leader of the Opposition right now if he will tell me what were the fringe benefits he was talking about on page 149? Would he tell me what they were?

MR. OLIVER: Mr. Speaker, I do not know that I am going to answer the hon. member for Riverdale right now. I wanted to say a few things —

MR. MACAULAY: Mr. Speaker, I sat down only so that the hon. Leader of the Opposition could answer the question.

MR. OLIVER: Is the hon. member finished or not?

MR. MACAULAY: I am asking a question.

MR. OLIVER: I do not choose to answer it at the moment. What is the hon. member going to do about that?

MR. MACAULAY: I want to know if the hon. Leader of the Opposition is going to answer the question.

MR. OLIVER: I said I am not going to answer it right now.

MR. MACAULAY: Well, I want the hon. Leader of the Opposition to resume his seat. Since he will not answer the question, I will put the position I am taking on page 149 of *Hansard*, of February 5th. There the hon. Leader of the Opposition said, in making reference to the tax agreement:

All these have been subjects of negotiations, I imagine, with the federal government, and I have no doubt that not only have the federal government given in on the one relating to insurance premiums, but that they have either by this time or are prepared to give in on several other of these small concessions.

The small concessions were these fringe benefits, because he then goes on and says:

Having in mind the almost \$50 million on the basic agreement itself, having in mind the fringe benefits that would come—

and so forth. It is a little hard to follow, but he was talking about the fringe benefits, one of the fringe benefits.

In fact, there were two benefits that were offered to this province under The Mining Tax Act and The Logging Tax Act, whereby a mining company could deduct as a cost of doing business the taxes paid to this province, and that was a concession given to this province which it did not enjoy before. Now that we have moved in to fill those two concessions under the logging tax and the mining tax, the hon. members have voted against it.

The only point I rose to make in relation to this, Mr. Speaker, was that I cannot understand, and I would be more than happy to have the hon. Leader of the Opposition or other hon. members of his party explain the position to this House, how they can with all conscience—not consciousness, because that is a questionable characteristic, but with conscience—how they can support the position they are taking on this bill when they say we should spend much more money.

They decry our increased debt. We went further into debt last year. There are only 3 ways we can raise revenue: firstly through the Ottawa agreement, which they say has been amply provided for us. Secondly through borrowing, which they decry; and now, thirdly through increased taxes. All 5 taxes have been presented to them, and every one of them has been voted against by them.

MR. WINTERMEYER: Mr. Speaker, would the hon. member now permit one or two questions?

MR. MACAULAY: Yes.

MR. WINTERMEYER: Mr. Speaker, the first one I want to ask is this: Does the hon. member suggest that we do not acknowledge his position, that we are going into debt at the rate of \$81 million during the past year, and it is estimated we will go into debt by approximately \$75 to \$85 million during the next year?

MR. MACAULAY: Is the hon. member saying that I do not think they recognize that?

MR. WINTERMEYER. Yes.

MR. MACAULAY: I do not know whether he recognizes it. If his party understands that we went into debt by \$81.4 million last year, I would be happy to have it on *Hansard* right now. Does he understand that?

MR. WINTERMEYER. Absolutely.

MR. MACAULAY: All right. And does he understand, if he follows the calculations in the budget, that we will go into debt next year, this coming year, by another \$75 million?

MR. WINTERMEYER: No. I disagree there to this extent. In my budget address, I estimated that the deficit would be in the neighbourhood of \$75 million. But remember, that is premised

on the presumption that we will do as we have done in the past and allot to the highway reserve fund, and to supplementary estimates, something in the vicinity of \$60 million. The question I wanted to ask of the hon. member is this: Does the hon. member agree with the fiscal programme of this government in respect to debt retirement?

MR. MACAULAY: No. I said so, and I am not ashamed to say so. I do not. I have never liked it and I said that.

MR. WINTERMEYER: I would expect the hon. member to say it is the only position he can take, and it is the position we have taken heretofore. What I have said, and every hon. member of this party has said, is this:

Starting from that position, acknowledging that we are going into debt, we are doing nothing about it, and there is no assurance this government is going to do anything about it in 1957-1958 or 1958-1959.

What I have suggested is this: Instead of calling these funds back to the highway reserve fund, they be used specifically for debt retirement, and if they did, we would not have \$81 million this past year of additional debt.

I agree they need more money, but if they use it economically and according to a different method of debt retirement, I would be quite willing to go along with the need for additional revenue in this fiscal year.

However, it is not going to be used that way. We have no assurance it is going to be used that way, and I cannot see there is any purpose in voting for such funds for purposes we have no particular reason to believe will serve their objective—that is, debt retirement. If I had any assurance today from any hon. member of the government that that would be done, we would be glad to reconsider our position.

We are attacking these particular levies in the contention that adequate consideration has not been given to the

determination of the equitability of the particular levies.

I think there are other levies which would be more equitable than the particular levies that have been suggested. I think it is wholly unfair to adopt the simple position that we are against all additional levies of taxation, and at the same time we are making suggestions for additional expenditures. We cannot and we will not be put into that foolish position, and I do not think we have ever taken that position.

MR. MACAULAY: The hon. member asked me a question —

MR. T. D. THOMAS (Oshawa): What would be a more equitable levy of taxation?

HON. MR. PORTER: That is what I wanted to know.

MR. T. D. THOMAS: Let us find out what the levy should be.

MR. MACAULAY: Mr. Speaker, I was asked a question. If I have not the floor, I will retain my seat.

In reply to the question by the hon. member for Waterloo North, first of all, he points out we have put money into the highway reserve account, and also into the sinking fund. There is a programme of debt reduction and it was enunciated in, I think, 1945 or 1947, by the then hon. Provincial Treasurer. I indicated that I do not worry about a question of debt reduction, my great worry is that we do not increase the debt in the future.

If the hon. member is suggesting that he will approve of all of these taxes only if they will all be applied to debt reduction — well then, what has the hon. member said? May I ask the hon. member a double-barrelled question? He says there are more equitable ways. Is one of them sales tax? Yes or No? What are the other taxes? Now he is getting instructions from the front not to answer it, or is he?

MR. WREN: Mr. Speaker, may I ask one question to avoid any further confusion? Is the hon. member for Riverdale espousing government policy?

MR. MACAULAY: No, I am not, and the hon. member knows very well I am not, but is he? That is a point, is the hon. member espousing a policy of the opposition?

That is an interesting point. He talks about what we need, we should raise taxes or receive enough revenue, and then the hon. member complains about the government taking every last cent from the liquor industry, and then he turns around and says we ought to spend hundreds of millions of dollars on things they have not even worked out.

MR. T. D. THOMAS: The hon. member for Waterloo North has said there are alternatives and I wonder if he would answer that question and tell hon. members what they are.

HON. MR. FROST: The hon. member sits in silence.

MR. WINTERMEYER: I am just thinking.

MR. WHICHER: Mr. Speaker, I would like to say that in the summary of tax changes which the hon. Provincial Treasurer gave in his budget address, he listed corporation tax increase, 2 cents on gasoline, 9 cents on diesel fuel, additional mining and logging taxes, and an increase in gallonage beer production, and the total increase was \$59.5 million.

HON. MR. FROST: I would point out that so far, of that wide series of taxes, the opposition has voted against every one of them and I would like to get down to what they are really for.

MR. WHICHER: There is approximately \$60 million of a natural increase in taxes for the coming year.

MR. SPEAKER: I think we are all out of order.

MR. WHICHER: Mr. Speaker, if you will allow me to finish this; there is approximately \$60 million increase in taxes that has been suggested by the hon. Provincial Treasurer for this year. There is also an extra \$60 million in a natural increase that the hon. Provincial Treasurer has not taken into account. Our position is simply this: The \$60 million that he has not taken into account will look after those \$60 million of additional tax changes that he has suggested. That is the situation in a nutshell, and any time this government wants to —

MR. MacDONALD: The question is, what is more equitable than what they are now raising?

MR. WHICHER: At the present time, and under the budget that the hon. Provincial Treasurer gave, there is no need for any additional taxation in this province. But if he can come to us and say, "Yes, we will stop borrowing money, every hon. member in this House is right about the net debt in the province of Ontario that we should not borrow so freely, and are not going to borrow as much, and we are really going to make our budget balance", let him come and suggest tax changes then, and the hon. Provincial Treasurer will find he has a lot of support from this side of the House.

MR. OLIVER: Mr. Speaker, I wanted to say a few words, some of them bearing on what the hon. member for Riverdale has said. I do not know how the Fathers of Confederation ever got along without the hon. member for Riverdale, it would have been a much better document if he had been present on that occasion and given of his great knowledge in the preparation of that bill.

I do want to say to him that he gets debt and he gets current revenue all mixed up and then he says the net result —

HON. MR. FROST: He does no such thing.

MR. OLIVER: He does exactly that.

HON. MR. FROST: He does not agree with me on the figures.

MR. OLIVER: What the hon. member is saying is this, that no matter what the government's surplus is, ordinary revenue over ordinary expenditure, that there is no surplus at all, there is no surplus unless we take into account the amount that the debt has risen in the interval.

HON. MR. FROST: Does the hon. Leader of the Opposition say that?

MR. OLIVER: I am not saying it, that is what the hon. member is saying.

HON. MR. FROST: That is for his payment by the government at Ottawa.

MR. OLIVER: The hon. Prime Minister should get some of the things that they do at Ottawa. The hon. member for Riverdale is saying that this government cannot impose too many taxes and it cannot get too much money, because no matter how much taxation it collects, it still falls short of meeting the total cost of government in this province.

If the hon. member is going to assume that premise, then let him assume surely on the basis that we should have a different system of accounting than we have at the present time. If we have a \$50 million surplus that is no reason to suggest, and he has no reason to suggest, that the public debt is going to be decreased by \$50 million under our present system of bookkeeping. What is done with that surplus is that it is distributed for services to the people of Ontario.

MR. MALONEY: Is that not a good thing?

MR. OLIVER: I am not arguing about that, I am just saying that no matter what we are collecting, that money is going for services to the people of the province. There is no systematic method that this government has of reducing the debt of the province: they have to reduce it by a little bit here and there.

But if the money, as has been said here, if the money that was collected as surplus was delegated to pay off the debt, then we would be in a different picture, but that is not the situation at all.

I suggest to the hon. member that he has not proven by any sense of the word that the money that is being collected here by these taxes is needed to discharge the services to the people of this province. All the hon. member has tried to prove is that if we did something other than what we are doing, and if we sought to reduce the debt by what we collect, then we are collecting too much, but that is not the way it is done at all and the hon. member knows it or should know.

The House divided on the motion:

YEAS

Allan
(Haldimand-
Norfolk)
Allen
(Middlesex
South)
Auld
Beckett
Belisle
Boyer
Cass
Cathcart
Cecile
Chaput
Child
Collings
Connell
Cowling
Daley
Davies
Doucett
Dunbar

NAYS

Gordon
Innes
Manley
Nixon
Oliver
Reaume
Spence
Whicher
Wintermeyer
Worton
Wren

—11

YEAS—*Continued*

Dymond
 Edwards
 Elliott
 Fishleigh
 Foote
 Frost
 (Bracondale)
 Frost
 (Victoria)
 Fullerton
 Goodfellow
 Graham
 Griesinger
 Grossman
 Hall
 Hanna
 Herbert
 Hunt
 Jackson
 Janes
 Johnston
 (Simcoe Centre)
 Johnston
 (Carleton)
 Jolley
 Kerr
 Lavergne
 Letherby
 Lewis
 Lyons
 Macaulay
 MacDonald
 Mackenzie
 Maloney
 Mapledoram
 Monaghan
 Morningstar
 Morrow
 Murdoch
 Myers
 Nickle
 Noden
 Parry
 Phillips
 Porter
 Price
 Pryde
 Rankin
 Roberts
 Robson
 Root
 Rowntree
 Sandercock

YEAS—*Continued*

Scott
 Spooner
 Stewart
 Sutton
 Thomas
 (Elgin)
 Thomas
 (Oshawa)
 Villeneuve
 Wardrope
 Warrender
 Whitney
 Yaremko
 —78

Motion agreed to on division; second reading of the bill.

THE ST. LAWRENCE DEVELOPMENT ACT, 1952 (NO. 2)

Hon. R. Connell moves second reading of Bill No. 81, "An Act to amend The St. Lawrence Development Act, 1952 (No. 2)."

MR. H. C. NIXON (Brant) : I think we should have some explanation of this bill. There are so many bills on the order paper.

HON. MR. CONNELL : This is Bill No. 81. In the St. Lawrence area there will be many roads which will have to be closed when the flooding takes place. As hon. members know, it is a very difficult and prolonged job to close these roads, and this legislation provides that the closing of a road, or a part of a road, may be accomplished by the expropriation of that road, or part thereof, by Ontario Hydro.

Expropriation under the proposed legislation will not have the effect of closing a road unless the municipal authority which would require to take action under the existing procedures consents to such a closing by-law. With such consent and the taking of expropriation proceedings, such roads can be closed by no further act on the part of anyone.

It is estimated that this will save the municipalities and the Ontario Hydro a very considerable sum of money and a very considerable amount of time.

The legislation also provides a definition of the word "road" to include any public highway, road, road allowance or other forming of a public thoroughfare. Private roads are in the same position as other private lands and are not affected by this legislation.

I thought it might be opportune now to make a few comments on the hydro situation in the St. Lawrence area.

As hon. members know, this construction is being done by the power authority of the state of New York and Ontario Hydro. The ground-breaking ceremony took place some two-and-a-half years ago, on August 10, 1954. The first concrete was poured in February, 1956.

At the peak of construction down there, there are some 4,500 men working, and they pour 2,000 cubic yards of cement in a day.

The installed capacity of the Robert H. Saunders generating station will be 1,640,000 kilowatts to be shared equally by each entity. The estimated cost is \$600 million, also to be shared with the New York Power Authority.

In service dates, the headpond will be established in 1958, and the first units will be operation in 1958, with all units in service by 1960.

All major structures and channel improvements have been designed except for the tail-race channel. Some 55 major construction contracts, as well as many smaller ones, have been awarded. Contracts awarded to the end of February, 1957, total \$160 million. The only major contract still to be placed is the tail-race channel.

About 2.7 million cubic yards of concrete will be needed for all structures on both sides of the river.

Excavations for the 4 principal structures will include 4,220,000 cubic yards of earth and 505,000 cubic yards of rock.

The project incorporates two adjoining power houses, straddling the international boundary — the Long Sault dam and the Iroquois control dam. In addition, there are a major rehabilitation programme and extensive channel improvements being undertaken.

The de-watering of the power house site, which includes 2.7 miles of riverbed between the two coffer dams, was started in June, 1955.

In July of that year, excavation of the site began, and the first concrete was placed on February 17, 1956, just 18 months after the sod-turning ceremonies had taken place. By the end of February, 1957, 40 per cent. of the total power house concrete had been placed.

It is interesting to note that in February of this year, the Canadians had passed the Americans in the amount of work that was accomplished.

Canadians do work the year around, whereas the Americans put on larger shifts in the summer time, and they do move a little more quickly in the summer weather.

Regarding the Long Sault and Iroquois dams, both of these structures are being built by the power authority of the state of New York, and by the end of 1956 were half completed.

I might add that much thought and effort was put forth by Hydro, in co-operation with local officials, in an endeavour to be fair with the local people.

In the rehabilitation programme, approximately 6,500 people are affected by the flooding of 20,000 acres of the north shore of the St. Lawrence River, and must be rehabilitated.

To the end of February, 1957, some 350 homes out of a total of 500 have been moved.

House-moving operations have been virtually completed at Iroquois, the new site of which is about one and one-half miles north of the present village.

Two new towns, known as Ingleside and Long Sault, are being constructed. Plans of the sites have been approved.

Contracts for the installation of water and sewer systems have been let and the work almost completed. To the end of February, 1957, some 55 houses have been moved into Ingleside and more than 100 into Long Sault.

More than 70 per cent. of the 2,000 properties required or affected have been secured or their moving arranged for.

In Morrisburg, only part of which will be affected, the general plan for the new section of the town, to replace the flooded sections, has been approved.

One of the major items in the rehabilitation is the relocation of approximately 40 miles of the Canadian National Railways double-track main line from Montreal to Toronto.

Construction of the sub-grade was completed during the early part of 1956.

Contracts for the track-laying and ballasting were let in the spring of 1956, and this work is now 80 per cent. completed.

Contracts for the construction of 5 new stations at Iroquois, Morrisburg, Ingleside, Long Sault and Cornwall were let in the latter part of 1956, and are scheduled to be completed during the summer of this year. This new line should be in operation by the spring of 1957.

Due to the flooding, some 35 miles of new highway are being constructed between Iroquois and Cornwall.

Contracts for approximately 25 miles of this relocation have been let, and the work virtually completed.

For some 10 miles of the new location, advantage will be taken of the present road-bed of the Canadian National Railways, permitting a considerable saving in cost.

During 1956, a total of some 340,000 people visited the St. Lawrence power project. I would like to point out at this time, if any of the hon. members here would like to visit the project at any time, or if any groups in their areas would like to visit the project, I would be very glad to arrange a visit on their

behalf, and to see that they are looked after when they arrive at the St. Lawrence project area.

When the power project is completed, some 6.3 billion kilowatt-hours will be available to Ontario Hydro each year from this development. This means that we shall have the benefit of additional electric energy equivalent to a labour force of 28 million men.

I would like to mention a few things in connection with rural hydro at this time. Rural hydro goes back to the time of Adam Beck.

In 1910, Adam Beck instigated an educational campaign among farmers in southern Ontario on the use of electric service on the farm.

In 1912, there was a shortage of labour for heavy work on farms which created a demand for power to operate labour-saving machines. Rural demonstrations started by means of "Adam Beck's Circus." This was a truck on which had been mounted electrical appliances then available to the farmer and his wife. With this truck, Adam Beck also toured the rural areas selling hydro.

In 1913, the first rural line was constructed from Baden to Petersburg, and then north to Ste. Agatha, the first rural customers served by Ontario Hydro during this year.

Between 1914 and 1918, there was a shortage of labour and material which slowed construction of rural lines during the war period. Only a few additional farms were supplied with power in order to assist in food production.

In 1921, it was apparent to the commission that 3 farms per mile of line was the maximum it could expect to obtain, and that the farmers could not afford to pay all the costs involved.

The Rural Hydro-Electric Distribution Act of 1921 was passed by the government on recommendation of the commission. This forward step provided for a bonus of 50 per cent. of capital cost of all primary lines to be paid out of the consolidated revenue fund of the government.

In 1924, the Act of 1921 was amended to include secondary line capital in the 50 per cent. bonus.

In 1925, some 1,288 miles of rural distribution line were in service, and 12,395 rural customers receiving power from Ontario Hydro.

In 1930, The Rural Power District Service Charge Act was passed by the Ontario government, fixing the maximum rural service charge to rural customers. Any loss due to the application of the maximum rural service charge Act was to be paid by the province, subject to repayment at a later date.

The figures during 1930 were as follows:

Miles of rural line	6,727
Total rural customers	44,782
Cost per kilowatt-hour to farm customers	4.2 (average)
Average annual consumption per farm customer	1,433 kilowatt-hours

In 1935, on the recommendation of Ontario Hydro, an amendment to The Rural Power District Service Charge Act of 1930 was made by the provincial government, providing for a further reduction in maximum service charge rates. During that year, the figures were as follows:

Miles of rural line	9,878
Total rural customers	67,359
Cost per kilowatt-hour to farm customers	3.5 (average)
Average annual consumption per farm customer	1,584 kilowatt-hours

In 1936, the service charge to farmers was further reduced.

In 1943, the figures were as follows:

Miles of rural line	20,087
Total rural customers	136,164
Cost per kilowatt-hour to farm customers	2.4 (average)
Average annual consumption per farm customer	1,897 kilowatt-hours

On January 1, 1944, the farm service charge was eliminated and the uniform

rate structure for all rural areas was inaugurated by the commission. The figures then were:

Miles of rural line	20,437
Total rural customers	144,218
Cost per kilowatt-hour to farm customers	2.1 (average)
Average annual consumption per farm customer	1,962 kilowatt-hours

For 1950, it is as follows:

Miles of rural line	34,793
Total rural customers	292,811
Cost per kilowatt-hour to farm customers	1.8 (average)
Average annual consumption per farm customer	3,706 kilowatt-hours

In 1956:

Miles of rural line	44,492
Total rural customers	430,055
Cost per kilowatt-hour to farm customers	2.1 (average)

That is only slightly higher than the lowest point in our Hydro history.

And:

Average annual consumption per farm customer	4,652 kilowatt-hours
--	----------------------

MR. NIXON: May I ask the hon. Minister this: When he speaks of rural customers and farm customers, how many of the 430,000 are farm customers and how many are non-farm customers living in rural parts?

HON. MR. CONNELL: I do not know that I have that figure determined. A rural hydro customer is any customer living in a rural area, and does not come under public utilities or hamlet services.

MR. NIXON: Then why does the hon. Minister refer to them as rural customers and farm customers; why does he differentiate in that way?

HON. MR. FROST: Rural customers are customers who are on the line and who can help to carry the rural rate. What is the difference?

MR. NIXON: That is what I am asking the hon. Minister. He refers to rural customers and farm customers. It is of some interest to know how many of those 430,000 are farm customers. This government takes credit for every dollar that is spent in extending rural hydro as a help to farmers.

HON. MR. FROST: That is right.

MR. NIXON: But it helps these people who move out of the city and take two acres of land—

HON. MR. FROST: Why should they not be helped?

MR. NIXON: —and send 5 or 6 children to school and the farmers pay most of the taxes for the whole thing.

HON. MR. FROST: If it were not for the addition to rural lines of these rural customers, in many cases summer resort people, the lines would not be possible. As a matter of fact, that is one of the things which makes it feasible to have what we now have — that is, a probable 90 per cent. coverage of our rural Ontario. I say that is good business and part of the development of this province.

MR. NIXON: That is all right, but when the hon. Minister refers to rural customers and farm customers, I would like to know why he differentiates them when the hon. Prime Minister does not want them differentiated. All I would like to know is: how many are farm customers?

HON. MR. FROST: The hon. member knows he is playing with words. If he would visit my riding and take a look at the hamlet of Argyle and the hamlet of Oakwood, he would see they are rural communities, and the people there, in many cases, are not farmers in the ordinary sense, but they are the fathers of the community. They are retired farmers and others who have gone in there. Would the hon. member

suggest they should be segregated from the occupation that has always been theirs? That is true of very many of the people in his own historic riding of Brant. He is playing with words.

MR. NIXON: I am not playing with words. The hon. Minister introduced this differentiation and, having introduced it, I want to know how many are farm customers and how many are rural customers.

HON. MR. FROST: The hon. member introduced a refinement of what was said.

MR. N. WHITNEY (Prince-Edward-Lennox): Mr. Speaker, I would like to go a little further. These local customers, even if they do have cottages, pay taxes for roads and education and are not even sending a child to school. They are building up the local community; they are a benefit to the local community. What is wrong with that? They should have hydro. They are good for the local community, and I do not think there is anything wrong with it, and I am 100 per cent. behind it.

MR. NIXON: I am not suggesting there is anything wrong with it, but the hon. Minister states there are so many rural customers and so many farm customers, and all I want to know is, how many farm customers and how many rural customers? It is a simple question.

HON. W. K. WARRENDER (Minister of Municipal Affairs): It is very difficult to separate these two because they fall in a common category. They are classed together for this reason:

As hon. members know, at the present time there is a requirement that they have a density of 3 to the mile in order to get some of these farmers on the line, and it is because they take these small hamlets and groups of people living in one area that they are able to get that density and thereby

provide the sufficient numbers to extend the lines from farm to farm.

In other words, by combining the two, the two necessarily go together because by bringing in the hamlets they have the required density to extend the line to the farmer. It is extremely difficult, as I found when I was in that position, to separate the actual farmers from what is known as the rural aspect of those areas.

HON. MR. CONNELL: During the 1920's, the use of electrical energy on the farms was confined almost entirely to lighting and household appliances. This was due to the fact that labour costs were low and farm help was plentiful and labour-saving devices for farm use were not too readily available. However, at the outbreak of the war in 1939, this situation was radically changed. Farmers were faced with a critical shortage of labour and rapidly increasing costs, at a time when maximum farm production was urgently required.

To meet this situation, The Department of Agriculture sponsored and encouraged mechanization, particularly of field crops. This led to a very wide acceptance of the tractor, combine, forage crop harvesters and numerous other mechanized equipment.

This mechanization so thoroughly demonstrated its economic merits that farmers have been stimulated to study critically the mechanization of the chores in and around the farm buildings, with the result that electric service is now considered by all progressive farmers as being essential to economical operation of a modern farm.

I just thought I would add these few words as far as rural farm electrical features are concerned.

MR. P. MANLEY (Stormont): Mr. Speaker, I want first of all to ask a question of the hon. Minister on the municipalities concerned. Have they been approached or are they agreeable to this Act about closing the roads in this way?

HON. MR. CONNELL: Does the hon. member ask in connection with the municipalities?

MR. MANLEY: Yes.

HON. MR. CONNELL: They have to agree 100 per cent. or this Act does not take effect.

MR. MANLEY: Mr. Speaker, I think the hon. Minister did not understand my question. The question was: Did he consult the municipalities that are going to be affected before he brought in this legislation?

HON. MR. CONNELL: Yes, that is correct. They have been consulted, but if there is any one point or any one road which possibly they would object to, the closing of the roads would have to be handled in the regular fashion.

MR. MANLEY: Mr. Speaker, I am very much interested, of course, in "seaway valley." I did not know there was going to be such a full discussion on it as has taken place at the present time. Nevertheless, the hon. Minister has touched on different points in regard to the area and to the development there, and I want to make a few comments, if I may, since the question has been brought up.

The first thing I want to say to hon. members this afternoon is that any criticisms I have made in this House, or that I might make now or in the future, I do not want to be taken as any reflection on any of the personnel of Hydro or public relations men, or the people connected with Hydro in the area. I think they are trying to do a good job, shall I put it that way. But it is more the policy of Hydro, as it applies to the area, to which I take exception.

The hon. Minister did mention that there were some 6,500 people who had been rehabilitated, and the impression has been left, I think, on different occasions, that people are very well satisfied in the area, that progress certainly has

been made there, and the people who have been negotiated with and cases that have been finalized were taken care of satisfactorily.

Of course, I just cannot agree with that, because I had many complaints, from the area, of people, even though they have accepted the offers of Hydro, who are still not entirely satisfied with the prices that they are receiving. There are many cases in that connection, and I think we should analyze for a moment, if we may, the operations in regard to house-moving in the area.

I do say at this time, and I think quite a few people will agree with me, that some of the houses which are being moved into the new townsite should not be moved at all. In the first place, I do not think they were worth moving, and then again, I would say they are not going to be any credit to the new townsites that are established as such.

We can find out what the cost of the house-moving operations are in that area and what they are going to be, and I certainly think hon. members will certainly agree with me that it has been a very large order to move all those houses in there. I am just wondering if, in a great many cases, we could not have built new houses and saved the Hydro-Electric Commission and the taxpayers quite a sum of money in this province.

Another thing I want to say at this particular time is that a lot of people are sitting and waiting. They have to wait for Hydro. They do not know what they are going to do. They cannot establish themselves. I have said that on many occasions before.

For the life of me, I cannot understand why many of those people have not been approached and why final settlement has not been made. I brought several cases that came to me to the attention of Hydro and still those people were never waited upon for settlement. The people of Hydro are unconcerned, and they let these people sit and wait.

I do not think that is good. It is not good public relations for Hydro nor for the relations between Hydro and the

people in the area. I think it is time that Hydro did get around and see those people who are involved and give them an opportunity to establish themselves. In other cases, Hydro has gone in and final figures have been arrived at, and yet those people have not received their cheques from Hydro for their properties. Whenever they speak about it someone will tell them they are drawing interest on that particular amount of money they are going to receive.

I say to hon. members of this House that drawing interest is not going to place those people in the position of establishing themselves, or make it possible for them to re-establish themselves if they wish to do so, because they must have their money in order to go out and buy another property or to establish themselves in another district.

It would be very interesting, I am sure, if the question I have on the order paper is answered before the end of this session, because no doubt I will have an opportunity to refer to some of the answers on that particular paper. In all sincerity I do want to say there are many criticisms which can be offered on the policy and the method in which Hydro has operated in that particular area.

The hon. Minister has mentioned something about sewers and the laying of water mains, and the facilities in those new townsites. I say at this particular time that Hydro has fallen down on the job of providing those facilities in the towns, in that they have not provided the proper supervision to see that those contracts were carried out and carried out in a proper way. I am told several contractors have gone bankrupt in the area and the job certainly has not been done up to standard. I am also told that one of the chief reasons is that Hydro did not provide the proper supervision to take care of the work being done in the area.

I do not know whether I will say anything more at the present time, there will be other matters that I do not have before me at the moment about which I will want to speak. There was one

other thing I wanted to mention, and that was the case that came before the municipal board, the Hands case from Iroquois, and it was quite significant that the case was taken before the municipal board for a final settlement.

This gentlemen came into the area only a few years ago, he bought the farm, and that was the case that was brought before the municipal board. The board awarded a decision about equal to what the Hydro had offered. In doing that — he was a man who had just come in there — Hydro took that as an example, and it just more or less created a precedent for the settlement of other farms around.

The other farms annexed to the Hands property that are being expropriated belong to people who have been living there for a number of years, and I do not think it is fair for that particular case to be taken before the municipal board, and then taken as the basis for settlements for other people in that area.

There are many more other matters that I could bring before the House, but I have not all the material before me and I had no notice that the bill was going to get into a general discussion of Hydro matters in the area. However, I am very much concerned, and I hope we have an opportunity to discuss this a little more at a later date.

Motion agreed to; second reading of the bill.

CERTAIN AGREEMENTS ENTERED INTO BY THE HYDRO- ELECTRIC POWER COMMISSION OF ONTARIO WITH CERTAIN QUEBEC POWER COMPANIES WITH RESPECT TO FREQUENCY STANDARDIZATION

Hon. Mr. Connell moves second reading of Bill No. 143, "An Act to Validate Certain Agreements Entered into by The Hydro-Electric Power Commission of Ontario with Certain Quebec Power

Companies with Respect to Frequency Standardization."

MR. F. R. OLIVER (Leader of the Opposition): Will the hon. Minister inform the House how many companies there are or what the cost is to be?

HON. MR. CONNELL: These contracts are dealing with 4 power companies situated in the province of Quebec, and at the last session of the Legislature in 1956 The Power Commission Act was amended so as to authorize Ontario Hydro to convert generating stations in Quebec and Gatineau, Leclair, Beauharnois and Ottawa Valley in order that the power purchased from these companies would be at 60 cycles rather than at 25.

This, of course, is to enable Ontario Hydro to complete its frequency standardization programme.

Under the authority granted in 1956, Ontario Hydro has entered into an agreement with each of the 4 power suppliers in Quebec which amends each of the agreements with the same company validated in 1937, in the case of Ottawa Valley in 1938, and in the case of Beauharnois, Gatineau and Leclair in Quebec.

In addition there was amendment to the Gatineau 60 cycle contract respecting the voltage at which the power is supplied.

Because of the fact that we desire power supplied at 60 cycles rather than 25, it was necessary to amend the existing agreements because these agreements were validated by legislation, the amending agreements must be validated by legislation. This is the whole purpose of this bill.

MR. OLIVER: I was just going to ask the hon. Minister, he says there are 4 companies involved, what would be the cost of the conversion and when will the conversion be completed?

HON. MR. CONNELL: I understood it is in the neighbourhood of between \$16 million and \$17 million to

standardize these plants, and it is going to be proceeded with as soon as this bill is passed.

MR. T. D. THOMAS (Oshawa): That is something along the line of the question I wished to ask too. How is this \$317 million to be paid? Who pays it, the Ontario Hydro-Electric Commission or the people in Quebec?

HON. MR. CONNELL: It is \$17 million.

MR. T. D. THOMAS: How is it to be paid?

HON. MR. CONNELL: Ontario Hydro will be paying it.

MR. MacDONALD: Mr. Chairman, this is the last item on the frequency standardization programme as far as costs are concerned. It represents a footnote that has never been taken into consideration as we consider the overall costs.

HON. MR. FROST: This was an expenditure last year.

MR. MacDONALD: I know it was explained, I think I had a question on the order paper in connection with it. Does the government feel or does Hydro feel that it is right that Hydro pay all of this cost? This in effect is re-equipping 4 private companies. Is it a rightful obligation that Hydro should pay the entire \$16 million or \$17 million to re-equip a private concern?

MR. NIXON: With brand new machinery.

MR. MacDONALD: Exactly.

HON. MR. CONNELL: Well, contracts that Ontario Hydro have with Quebec still have quite a number of years to run, in some cases almost 20 years, and there were a number of things that they could have done. They

could either have left this at 25 cycle, and supplied the plants that are using 25 cycle, but there is a transmission problem there, in that most of the plants that are using 25 cycle are either in the Steel Company of Hamilton or Toronto.

Or, they could have brought the hydro across to Ontario and there changed it, transformed it into 60 cycle. But, in studying these different measures, converting them at the site is the most economical method, and as far as the need for the power is concerned, I believe there is some 730,000 horse power involved and we need it for the 60 cycle system and this seemed to be the logical move to make.

MR. MacDONALD: I am not arguing about the need for the change, that is obvious in view of the whole conversion programme we have had. But it seems to me a rather strange procedure, in contrast with normal procedures. If there is a contract to be supplied with a certain commodity, in this instance it is electric power, and because circumstances change, the person who is supplying that commodity, namely the power, is going to have all his machinery re-equipped without paying a cent of the cost.

Certainly this is going to end up in a delightful bonanza for these 4 companies, because they will have completely new equipment, or at least up-to-date equipment, which will have value quite beyond the fulfilling of these contracts to the province of Ontario.

Therefore, is it not considered by Hydro that a proportion of this \$16 million should be borne by the 4 companies?

HON. MR. FROST: I would say that this matter arose before the hon. Minister became a member of the Ontario Hydro-Electric Power Commission, and therefore he is given the explanation which in fact is a correct explanation.

The explanation of this was given in the House last year, and it was given a very great deal of consideration by the

executive council by the cabinet in days gone by.

Here is the situation: these companies are supplying in the order of between 800,000 and 1,000,000 horse power—I like to use the expression horse power better than kilowatts because I understand better what a horse is and it adds to my sense of understanding—they are supplying that to Ontario under contracts which go back very many years. Their contracts call for the supplying of 25 cycle power to Ontario.

The commission was faced with these alternatives and we had to meet this situation:

First of all, they might, as the hon. Minister has said, have transmitted that power to certain heavy industries, mainly in the city of Hamilton, which could remain unconverted. That involved a transmission problem which was expensive to carry out and, over the remaining years of this contract—I think contracts expire in 1970, somewhere in the 1970's—and the cost of doing that would run into an amount that was estimated to be in excess of the figures we are mentioning now. There is no obligation on the part of the Quebec companies to do anything more than to turn into our line so many horse power of 25 cycle power; when we get it over it is our business.

The problem arose as to whether to take certain parts of our system and keep it unconverted until that time, and the hon. member will of course see the difficulties that are inherent in that matter.

The second solution, and this was considered at great length; the matter of constructing frequency changers on the Ontario side of the river. In case the hon. member for York South does not know what a frequency changer is, I suggest he read the debates of the former hon. member for Hydro, Mr. Challies, or ask the hon. member for Brant who used to elaborate on frequency changers at great length as to what they were. I never did understand him, but over a period of time I have come to understand the purpose of them—it will change the

frequency of the horse power that I mentioned, and it can alter it from 25 to 60 cycle, but it is a very expensive proposition to instal these frequency changers, and they would be of absolutely no value at the termination of the contract, they might just as well be thrown into the Ottawa River for all the value they would be.

MR. NIXON: And they are not 100 per cent. efficient, either.

HON. MR. FROST: That is right, the other thing against frequency changers is that there is a good deal of loss similar to line loss. In other words, you put in a horse power in one of these machines and you get out only seven-eighths of a horse power or something of that sort, and over a period of years the cost of doing that would run into quite a sum of money that would be in excess of the amount we are mentioning.

The third alternative was to make an arrangement with the power authorities in Quebec and also to get authority from this Legislature to enable the spending of money outside of the province; and that was done last year.

I would say that of the 3 alternatives, Dr. Hearn, who was the chairman of the commission at that time, and the general manager, recommended the third alternative as the most feasible, the most practicable and the alternative which would cost the least money.

In response to the hon. member's question about spending the money in Quebec, we get 16 or 17 years' use of the equipment. It does transform that into 60 cycle power. It is conceivable that it would be of more value to the Quebec companies than if we left it unconverted, but, on the other hand, remember that their obligation is to give us the power of 25 cycles at our borders.

As a matter of fact, one of the problems which we have inherited is that if we alter the terms of the contract without their consent, that may bring into effect certain escalator clauses which those people alongside of the hon. member saw fit to insert back in 1937 and

1938 — also a subject which was elaborated on by the former hon. member for Grenville-Dundas at great length.

Taking those considerations all in all, it seems to be the most reasonable thing to do to get the authority from the Legislature to reconvert the equipment on the Quebec side. It saved the government money; we got a more efficient job; and if it was of benefit to the Quebec companies — as a matter of fact, there was no way in which we could make any claim against them, I think the hon. member will agree — when we take the outlook of Canada as a whole, it would be far better to do that than, as I say, to throw the equipment into the Ottawa River in 1972.

MR. MacDONALD: I would like to ask a question on one point. I assume that this sale to Hydro by these various companies represents only a portion of their power of production, and that the rest of their production is 60 cycle?

HON. MR. FROST: I do not know about that.

MR. NIXON: I think we took all of Shaw Falls.

MR. MacDONALD: Is it the case that this particular sale of power to Ontario — that the machinery for it was installed for that specific purpose?

HON. MR. FROST: My recollection is — and the hon. member for Brant could answer this question, because he remembers the debates at that time — but I think, myself, that the contracts of some of these Quebec plants at that time were predicated upon contracts which were made with Ontario Hydro and the Ontario government in those days, of, I suppose —

MR. MacDONALD: I do not propose to press this point other than I can see, in the light of what the hon. Prime Minister has indicated, that this is as cheap an arrangement for Ontario as any other alternative, and, from our

point of view, therefore, we are losing nothing.

But it is, as I say, on the other side of the coin, a strange arrangement which ends up, in effect, subsidizing for their future business 4 or 5 companies, because at the end of 1972, when the contracts run out, they could not sell the 25 cycle power anywhere else; because I think most of Quebec is on 60 cycle.

I suppose maybe the generous thing to do is to say that it is to the benefit of the nation as a whole, since we do not have to pay any more anyway.

MR. R. E. SUTTON (York-Scarborough): In the case of the Ottawa Valley Power, I believe the inter-provincial boundary is midstream in the Ottawa River, and the Ontario Hydro built half of the dam, and the Ottawa Valley Power built half of the dam on the Quebec side. The generators of the Ottawa Valley are on the Quebec side, but the Ontario Hydro-Electric Power Commission takes all the power on a long-term contract up to 1971.

I understand these 4 companies were the companies which lost their contracts in the days of "Mitch" Hepburn, and at that time the original contracts were written at \$15 per horse power. They were rewritten for \$12.50 per horse power. At this very low rate, I imagine the Ontario Hydro will be pleased to convert the power from 25 to 60 cycle at their own expense.

HON. MR. FROST: I would point out to the hon. member that there are horse powers and horse powers. There are bodies terrestrial and bodies celestial. The fact of the matter is that in the reconstituted contract, there was a different horse power than in the horse power in the original contract. There was a difference in the power factor and other things which very much altered the value of the horse power in the subsequent contracts.

I will say that in the matter there was a very great deal of ill-feeling, and the animosity started about it — it got to the

level as between the governments of Ontario and Quebec in relation to it; and I think, perhaps, that this is the time that I should express the appreciation that we have, and have had over a number of years, of the way in which Mr. Duplessis, the Prime Minister of Quebec, handled the matter, and dealt with his sister province of Ontario. We have received very fair treatment, and I appreciate it very much.

MR. OLIVER: With respect to these 4 companies, does the total output from these companies come into the province of Ontario?

HON. MR. FROST: No, I do not think so.

MR. OLIVER: The point I have in mind is that we would be in the position, then, of converting the power plants for the purpose of sending power to other places than to the province of Ontario?

HON. MR. FROST: This conversion applies entirely to the Ontario supply of power.

MR. MacDONALD: Except after 1972.

HON. MR. FROST: After 1972, of course, unless there is some renewal of those contracts, in whole or in part, we would cease to have any interest in it. It was felt it would be far better for us to go there and convert the machinery on the spot and get the use of it for some 17 or 18 years, and write it off in that period of time rather than attempt to adopt the expedient of not converting areas in Ontario or using frequency changers on the Ontario side of the line.

MR. NIXON: Was this a factor in the original estimate when the government decided to go into this scheme and convert—that it would cost \$17 million to convert this generating machinery which was part of the \$191 million estimate at that time?

HON. MR. FROST: I doubt it.

MR. NIXON: The hon. Prime Minister says he doubts it and I do too, but he should know and I certainly do not.

HON. MR. FROST: We made careful and meticulous surveys.

MR. MacDONALD: Has it not gone up since then?

MR. NIXON: The estimated cost of \$191 million has now gone up to over \$400 million and I was wondering what the estimate was.

HON. MR. FROST: I would refer to the very excellent editorial which appeared in the *Toronto Daily Star* recently, and it is worthwhile reading.

MR. NIXON: The hon. Prime Minister always has an alibi.

HON. MR. FROST: It is not an alibi, it is an explanation.

MR. NIXON: Where does Hydro expect to raise the money to pay this \$18 million? Does it come from general funds collected from the 60 cycle as well as the 25 cycle users, whom Mr. Drew promised us would never be called up to pay for \$1 of the cost of this conversion?

HON. MR. FROST: There are advantages to eastern Ontario in this arrangement. There are very definite benefits to the areas being converted. I believe there are indirect benefits which are difficult to estimate in the fact that our people are getting the benefits of lower cost equipment in the province due to the fact that we are a 60 cycle area.

It is most unfortunate that this great project was not taken care of before. If hon. members who were in power during the depression days had done this, it would have helped to build up employment in the province, but today we have to meet it ourselves.

I would say there is now a great deal of 25 cycle equipment which is not obtainable in the province at all, it is not being made, and we are being urged all the time to proceed with the conversion of the system to 60 cycle because of the availability of all types of equipment which people want to use.

MR. OLIVER: The hon. Prime Minister must realize that this is important — where is this money to come from? Where is it to be charged?

HON. MR. FROST: Part of it came from reserves that Hydro had built up, and which the hon. member for Bruce has derided so much.

MR. WHICHER: That is absolutely incorrect; I said no such thing.

HON. MR. FROST: The hon. member derided the building up of reserves.

MR. WHICHER: Only in public utilities. The hon. Prime Minister's statement is absolutely incorrect.

HON. MR. FROST: Very well, I accept that. I may have misunderstood the hon. member. If he will read the report on Hydro prepared by Woods, Gordon Company — it is available in this House — all those questions are answered, and I know the hon. Leader of the Opposition would feel that it is a wholly and totally desirable thing that we should proceed with this conversion with the least possible delay.

MR. NIXON: We have certainly gone too far to back out now.

HON. MR. FROST: That is right. As I said before, it is unfortunate we did not do this before this time.

MR. MacDONALD: The hon. Prime Minister is surely begging the point. We had reserves of some \$200 million when we started the conversion and now it is going to cost over \$400 million including this \$16 or \$17 million, and the only way the government can raise the necessary

\$200 is out of present consumers or operating.

HON. MR. FROST: That is right.

MR. MacDONALD: There is no mystery about that.

Motion agreed to; second reading of the bill.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, may I ask hon. members of the opposition if they would be prepared to give second reading to Bill No. 85, An Act to amend The Cemeteries Act, in order that it may go to the health committee, and then it would come back to the committee of the whole House, and if there is any discussion there will be no limitation.

THE CEMETERIES ACT

Hon. M. Phillips moves second reading of Bill No. 85, "An Act to amend The Cemeteries Act."

Motion agreed to; second reading of the bill.

THIRD READINGS

The following bills were given third reading, upon motions:

Bill No. 88, An Act to amend The Training Schools Act.

Bill No. 90, The Mothers' and Dependent Children's Allowances Act, 1957.

Bill No. 100, An Act to amend The Nursing Act, 1951.

Bill No. 104, An Act to amend The Fire Marshals Act.

Bill No. 105, An Act to amend The Old Age Assistance Act, 1951.

Bill No. 106, An Act to amend The Disabled Persons' Allowances Act, 1955.

Bill No. 107, An Act to amend The Blind Persons' Allowances Act, 1951.

Bill No. 109, An Act to amend The Conservation Authorities Act.

Bill No. 110, An Act to amend The Planning Act, 1955.

Bill No. 120, An Act to amend The Telephone Act, 1954.

Bill No. 121, An Act to amend The Dog Tax and Livestock Protection Act.

Bill No. 127, The Private Hospitals Act, 1957.

Bill No. 128, An Act to amend The Brucellosis Act, 1956.

Bill No. 129, An Act to amend The Junior Farmer Establishment Act, 1952.

Bill No. 131, An Act to amend The Local Improvement Act.

Bill No. 132, An Act to amend The Fire Guardians Act.

Bill No. 133, An Act to amend The Public Utilities Act.

Bill No. 135, An Act to amend The Medical Act.

Bill No. 137, An Act to amend The Labour Relations Act.

Bill No. 138, An Act to amend The Industrial Standards Act.

Bill No. 140, An Act to amend The Department of Labour Act.

Bill No. 142, An Act to amend The Municipal Drainage Act.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, tomorrow we will deal with the estimates of The Department of Welfare, and then any item on the order paper that is apt to be called at this time in the life of this session.

I should like to particularly advise the hon. members of the opposition that if it is possible, I would call resolution No. 3 in the name of the hon. member for York South; the labour resolution, No. 2, outstanding, in the name of the hon. member for Essex North; and No. 14, which stands in my own name; and I think both order numbers 75 and 76 stand in the name of the hon. member for York South.

We may not be able to accomplish all of that bill of fare, but we may be able to, and we might possibly have a budget speech or two to enliven and brighten the proceedings of the day. There will be a night sitting tomorrow.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.35 of the clock p.m.

ERRATUM

(March 18, 1957)

<i>Page</i>	<i>Column</i>	<i>Line</i>	<i>Correction</i>
1212	1	19	Change to read: "ing of Bill No. 115, "An Act to amend"



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, March 27, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Wednesday, March 27, 1957

First report, standing committee on highway safety, Mr. Yaremko	1613
Third report, standing committee on health, Mr. Dymond	1613
Estimates, Department of Public Welfare, Mr. Cecile	1615
Power Commission Act, bill to amend, reported	1642
St. Lawrence Development Act, 1952 (No. 2), bill to amend, reported	1642
Certain Agreements Entered into by The Hydro-Electric Power Commission of Ontario with Certain Quebec Power Companies with Respect to Frequency Standardization, bill to validate, reported	1642
Child Welfare Act, 1954, bill to amend, reported	1642
Highway Improvement Act, bill intituled, reported	1642
Municipal Subsidies Adjustment Act, 1953, bill to amend, reported	1649
Law Society, Act, bill to amend, reported	1649
Summary Convictions Act, bill to amend, reported	1649
Administration of Justice Expenses Act, bill to amend, reported	1649
Coroners Act, bill to amend, reported	1649
Crown Witnesses Act, bill to amend, reported	1650
Crown Attorneys Act, bill to amend, reported	1650
Homes for the Aged Act, 1955, bill to amend, reported	1650
Municipal Act, bill to amend, reported	1650
Municipality of Metropolitan Toronto Act, 1953, bill to amend, reported	1650
Public Vehicles Act, bill to amend, reported	1651
Public Commercial Vehicles Act, bill to amend, reported	1651
Housing Development Act, bill to amend, reported	1651
Change of Name Act, bill to amend, reported	1651
Surrogate Courts Act, bill to amend, reported	1651
County Judges Act, bill to amend, reported	1651
Gordon William Innes, M.P.P., bill respecting, reported	1652
Statute Labour Act, bill to amend, reported	1652
Legislative Assembly Act, bill to amend, reported	1652
Part of the Westerly Boundary of the Township of Faraday, bill respecting, Mr. Mapledoram, second reading	1652
Game and Fisheries Act, bill to amend, Mr. Mapledoram, second reading	1652
Municipal Act, bill to amend, Mr. Warrender, second reading	1652
Ontario Municipal Board Act, bill to amend, Mr. Warrender, second reading	1652
Resumption of the debate on the budget, Mr. W. E. Johnston	1652
Recess, 6.00 o'clock	1658

LEGISLATURE OF ONTARIO

Speaker: Honourable The REV. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

WEDNESDAY, MARCH 27, 1957

2 O'CLOCK P.M.

And the House having met:

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

CLERK OF THE HOUSE: The following petition has been received:

Of the Hereditary Council of the Six Nations Indians, Grand River Country praying for the repeal of chapter 45, Statutes of Ontario, 1956, An Act to amend The Marriage Act. (Sessional paper No. 61).

MR. SPEAKER: Presenting reports by committees.

MR. J. YAREMKO: Mr. Speaker, I beg leave to present the first report of the standing committee on highway safety and move its adoption.

CLERK OF THE HOUSE: Mr. Yaremko presents the first report of the standing committee on highway safety as follows:

Your committee begs to report the following bill with certain amendments:

Bill No. 108, An Act to amend The Highway Traffic Act.

MR. M. B. DYMOND: Mr. Speaker, I beg leave to present the third report of the standing committee on health and move its adoption.

CLERK OF THE HOUSE: Mr. Dymond presents the third report of the standing committee on health, as follows:

Your committee begs to report the following bill with certain amendments:

Bill No. 136, The Public Hospitals Act, 1957.

Also, to report the following bill without amendment:

Bill No. 165, The Hospital Services Commission Act, 1957.

MR. SPEAKER: Introduction of bills.

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, before the orders of the day, I have two matters I would like to bring to the attention of the House.

The first arises out of the 1955 and 1956 reports to the Ontario Legislature of the select committee on central registration of documents of title and pledge respecting chattels and certificates of title of ownership of motor vehicles, and the study of Bill No. 125, 1955, and a re-draft thereof.

Further studies have been made and the latest one involved careful consideration of a possible amendment to section 13 of The Sale of Goods Act for restricting any negating of implied warranties or conditions.

The hon. member for Waterloo South (Mr. Myers) and the hon. member for Riverdale (Mr. Macaulay) have participated in a number of these discussions.

However, in view of the fact that The Sale of Goods Act represents a codification of the law and has many aspects of uniformity throughout the common law provinces, I hesitate to introduce an amendment to that Act without first testing very carefully what the implications might be and whether or not such an amendment would in any substantial way meet the end result which was the objective of the select committee, namely security of title to motor vehicles.

While I have submitted two draft forms of amendments for consideration to a professor of law and lecturer on the subject of the sale of goods, I am not yet satisfied with the position and therefore am not prepared to introduce a bill at this sitting of the Legislature aimed at solving the problem with which the select committee wrestled so energetically. I propose, however, to have further study made of the material between now and the next sitting of the Legislature.

Mr. Speaker, on Friday, February 22nd last, before the orders of the day, the hon. member for York South (Mr. MacDonald) directed a question to me in connection with the use of the Ontario provincial police in northwestern Ontario — the hon. Minister of Labour (Mr. Daley) having dealt with a relative question a few days previously.

Since then, on at least two occasions the hon. member for York South has brought the matter up again, and on the last occasion, I stated that an investigation would be made and that the hon. Minister of Labour had agreed that a representative from his department would accompany a senior police officer to the area for this purpose.

I have now received a report of the investigation made on the ground in the districts of Kenora and Rainy River from staff inspector Leonard Neil:

It is implicit in the remarks of the hon. member for York South that the Ontario provincial police were used as strike breakers and that an unduly large number of police officers were assigned to a work stoppage which did not justify the employment of such a large force.

I have received a complete report from the investigating officers, supported by evidence taken from witnesses, and I am bound to say to this House that having in mind the various eventualities which a careful and sincere inspector of the Ontario provincial police in the area would have to keep in mind, his actions by way of requisitions for additional forces made on the several occasions shown in the report, could not be criticized by anyone who is genuinely interested in the maintenance of law and order without favour.

In making as short and concise a statement as possible, I would not wish to conclude without stating specifically that the investigation shows that the allegations made that Ontario provincial police were housed on company property and fed there was without foundation.

There was only one occasion when any provincial police were fed at a company camp and that was when 10 provincial police officers, on the invitation of the camp foreman, had supper at camp 309, which is a bush camp a considerable distance from where the officers were billeted.

MR. SPEAKER: We have 4 groups of students in the chamber this afternoon — a group of students from Uxbridge public school, Uxbridge; from Sunnylea public school, Etobicoke; West Glen public school, Etobicoke; and Balmy Beach public school, Toronto. We have also a group of nurses from the Toronto Western Hospital.

These various groups are here to review the proceedings of the House and we welcome them.

MR. SPEAKER: Orders of the day.

HON. L. M. FROST (Prime Minister): I move, Mr. Speaker, that you do now leave the chair and that the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF
PUBLIC WELFARE

HON. LOUIS P. CECILE (Minister of Public Welfare): Mr. Chairman, it is a tribute to the citizens of Ontario that they are willingly making large sums of money available to those who cannot fully participate in the biggest boom in Ontario's history. The sum of \$34 million will be expended in Ontario by this Legislature, to care for and assist children, people suffering from handicaps, illnesses and disabilities, families in need for various reasons, and the aged.

On top of this, when we consider the huge amount of money made available to the federal government by Ontario citizens—equal to 50 per cent. of all the funds they collect and spread over all their departments—the people of Ontario are certainly recognizing their obligations fully.

The estimates being presented today include many advances, particularly in the programmes for children. The broadening process to provide for children under The Mothers' and Dependent Children's Allowances Act should prove to be more acceptable from an administrative point of view. We will be able to treat cases more speedily, and at the same time recognize, more adequately, the financial needs of our beneficiaries.

We are anticipating larger expenditures in this programme, but the numbers requiring assistance will likely remain about the same as at present. I have previously indicated, at greater length, the more generous approach in qualifications for this form of assistance, when introducing the new Act.

I stated previously that dental services will be made available to children of families in receipt of mothers' and dependent children's assistance or direct relief. The Royal College of Dental Surgeons is, at present, giving careful study to the rate structure to be established, and to the processes for administration.

I expect to meet with their executive shortly, and am confident that a satis-

factory agreement will be reached which will assure dental treatment for these children, and which will also serve as an educational process for the care of teeth at the same time.

The provision for the care of children through children's aid societies in Ontario has been a unique development extending back to 1893. We have vested legislative authority in these private organizations to carry out the necessary services to meet the needs of children who require specialized attention. These include services to neglected children; unmarried mothers; the care of children in foster homes; and a greater emphasis on adoption services.

While I am convinced that too many children have been taken into care at public expense—children who lack the necessary security of a permanent or stable home or a home in which they can properly belong—I believe the most recent approach of the societies is being directed, more strongly, towards adoptions.

The majority of the societies are co-operating to the full with us in this process. On our part, we will continue to extend every assistance to the societies by bringing suitable children to the attention of the public, where adoptions are indicated.

This year we have once more extended provincial funds to municipalities to assist them in meeting their statutory obligations in the matter of the costs for the care of children who are made wards of the societies. Forty per cent. of these costs will now be met from provincial revenues.

I introduced a bill in this House to provide for the registration and inspection of premises in which children receive boarding care. I might say that in recent years there has been growing concern about the standards of care and adequacy of records for children who are living in boarding homes.

Much has been done by municipal authorities, child welfare agencies, and particularly by local medical officers of health and public health nurses, to

ensure that reasonable standards of nutrition, sanitation and other matters essential to the physical well-being of children are maintained.

The main concern has been about the more intangible elements in the growth and development of children such as the need for individual love and affection and proper training for life as an adult. There is also a genuine concern—and I must admit, Mr. Chairman, that this has been of personal concern to me as a lawyer and father—about the loss of identity and the doubtful legal status of some children whose parents or guardians place them in private boarding care.

If the parents subsequently disappear and the boarding home has inadequate records, even the name of the child may be unknown or false. Certainly, his status in law if other legal proceedings should be necessary, leaves much to be desired.

I might also point out that municipal officials have expressed alarm at the possibility of becoming responsible for services to children in boarding homes if, for any reason, the proprietors become unable or unwilling to continue operating the home.

The Children's Boarding Homes Act, 1957, will provide protection for a group of children who have not been adequately protected in the past.

We have inaugurated and are maintaining a very fine day nurseries programme in Ontario. The province of Ontario is one of the few authorities on this continent which shares in the costs of the operation of public day nurseries. I was pleased to note in a front page article in the *Winnipeg Free Press*, that the executive director of the day nurseries centre of Winnipeg stated that "the standard of day nurseries is very high in Ontario." "In fact," she said, "it is the Ontario people who set the standard for the rest of Canada."

This is an essential programme. It provides the very best of care for young children while their mothers are employed. There may be questions in

the minds of some over the whole matter of working mothers. Nevertheless, it appears to be the accepted way of life in many families, and it is best that proper provisions be made for the children of such mothers. The rates charged are quite moderate, and I would gather that the participation of the province in the operation of the public day nurseries is serving a worthwhile purpose.

Everyone here will know that my department is engaged in serving many people under welfare programmes sponsored by the Dominion government. I am referring, of course, to old age assistance, disabled persons' allowances, and blind persons' allowances. The government of Canada establishes the qualifications for assistance for those who can be accepted for the granting of allowances.

In the matter of old age assistance and disabled persons' allowances, the province pays 50 per cent. of the costs of the allowances, plus the full cost for administration and medical services. In the case of the blind, the same circumstances apply, except that the federal government pays 75 per cent. of the costs of the allowances.

Aside from the question of the adequacy of maximum allowances which can be made available to eligible persons, there is an extraordinary number of conditions which must be taken into account if we are to recover their contribution in each case.

I would first like to draw to the attention of the House some of the administrative problems we have to face, and toward that end I might make specific reference to The Disabled Persons' Allowances Act.

All hon. members know that Ontario introduced the first Act of this type in Canada, which became effective on July 1, 1952. The conditions we established were reasonably simple and included a residence requirement of 10 years in Ontario; a yearly maximum income of \$1,440 for the married recipient, and \$720 for the unmarried person. If an

unmarried applicant possessed less than \$1,000 in cash assets, he could qualify for assistance, or \$2,000 if married.

When the Ottawa government introduced its programme, we found ourselves laden with many additional qualifications in order to make a grant. In the first instance, no applicant with a spouse could qualify for aid if the combined yearly income exceeded \$1,200 per year. We were required to take into consideration all assets in the form of cash surrender values of life insurance policies. We had to apply an arbitrary income charge of 5 per cent. upon the assessed value of real property owned and occupied by a recipient. We were forced to adopt a very involved scheme of applying annuity income to all assets of a recipient and spouse.

I can assure hon. members, in having to conform to these regulations, the administration of the programme became most involved, particularly when compared with the one we had operated effectively on our own.

In general, then, I have pointed to some of the complications imposed by way of additional and even stringent qualifications. But more than this, we have had to submit to a most trying and unreasonable interference on the part of the federal government in the matter of determining, from a medical point of view, which applicants can be classified as being totally and permanently disabled.

The chairman of our medical review board, Dr. W. A. Reddick, has had long experience, beyond any other medical man in Canada, in this kind of work, yet, the federal government has insisted upon superimposing their doctors' decisions upon the decisions reached by ours, in what they have called a joint medical review board.

In other words, the Ottawa government insists that their appointed physicians give approval or disapproval to cases which come solely under the administrative responsibility of this government.

This is clearly a matter which violates all accepted principles of sound administration. It has been done to the detriment of our programme. We are told this system is working in some of the other provinces—and that may be so—but this plan does not serve Ontario's disabled. There is no reference to a joint medical review board either in the federal Disabled Persons' Act, or in its regulations. Yet there we are—caught in their web—within their form of agreement.

As examples of this interference with our administrative processes, I would like to bring some cases to the attention of this House. Here we have a man who will be 65 years of age in September, 1957. All medical evidence was carefully examined by our medical review board who were convinced on January 2, 1957, that the man was totally and permanently disabled with "cancer of the bladder and secondaries."

Nineteen days later, the federal physician placed a statement on file which said:

This disability is certainly permanent, but not total or even disabling at present. If it becomes so before he is 65 he should be certified—not now.

A week later our provincial doctors again reviewed the case and placed the following summary on file:

This man will be 65 in September, 1957; hospital report on file; cancer of bladder; removed in 1953; secondary removed in 1956; is still bleeding; in fact has secondary anaemia due to loss of blood; is likely developing another secondary in bladder muscle; prognosis cannot be very good. He certainly should not be living alone, but circumstances likely force him to do so.

On medical grounds we consider him "permanent and total." If he were living in a home with other people around and it was stated that he could not leave home alone or required assistance or supervision, we

would certify. Why should we penalize him because the poor chap is likely forced to live alone? He has had one recurrence of his bladder cancer and will likely develop another in the near future. We do not intend to change our certification.

Two weeks later the federal physician stated:

I have heard from the doctor in charge of this patient who states he (the recipient) is not total and permanent at this time.

The same day our provincial physician made the following notation:

Noted—we have carefully considered this case and our board are satisfied this man's case is within our Act.

However, on March 1st, the federal physician rejected all arguments as presented and refused to approve the case.

On the strength of the original decision of our own medical advisory board, we granted the allowance to this man; but the federal physicians say that this case does not qualify within the meaning of the federal Act and regulations, and it would appear that we can no longer continue the assistance on his behalf.

Here is another case I should like to bring to the attention of hon. members. The trying process began March 5th last year. The decision of our medical board was that the applicant was totally and permanently disabled — with multiple sclerosis. On March 8th, a federal physician said:

There is insufficient evidence to make a diagnosis of disseminated sclerosis—consultation advised.

The senior federal doctor stated:

We cannot make diagnosis on doctor's "assumption" of condition, nor am I sure he is totally and permanently disabled in any case. Could we obtain further opinion?

On March 28th, our provincial physician commented:

Our board regards Dr. — — as one of our reliable physicians and we do not intend to proceed further as we accept his diagnosis of multiple sclerosis and consider this man as a permanent and total disability.

The next notation on file was made on May 15, 1956, and it says simply:

This man passed away on May 6, 1956.

I do not wish to labour this matter beyond necessity. There are other cases which could be cited. Mr. Chairman, I am not suggesting that there is a large number of disagreements over cases, but the approach dampens the whole process.

I feel strongly that these situations should never arise at all. They are unnecessary and wrong in principle. Either the province is responsible for administration, or it is not.

As an alternative, I have suggested to the federal government, through the hon. Minister of National Health and Welfare, that we would be content to let his medical officials take full responsibility for the medical review of cases to determine who shall be eligible for the allowance, in the same manner as they do with the blind.

If they do not want to do this, then, I say, leave us free to do our job. I am not saying that the Ottawa government does not have every right to audit our cases—both from a financial and medical point of view. That, of course, is their prerogative.

It is said that there is reason in everything. If the hon. federal Minister of Health and Welfare is so distrustful of Ontario and our ability to administer welfare programmes in keeping with federal legislation, then he might well consider taking on the job of assessing these cases, and we shall be content to abide by the judgment of his officials.

Certainly, this procedure is quite acceptable in the blind allowances programme. A federal oculist assumes responsibility for determining the extent of blindness, and I would say that he does an excellent job. He is an experienced and capable doctor.

In connection with old age assistance, the administration of this federal programme is not quite so complicated—but almost. We do have a heavy administrative task in complying with all the conditions, and some of the calculations are almost incomprehensible. I referred briefly to the economic qualifications of applicants for disabled persons' allowances.

These are not so important in that group of persons because so few of them have financial resources. The reverse is true in the old age assistance group (65 to 69 years), and that is where our problems begin in the processing and reviewing of cases.

Before dealing with this feature, may I say again that the 20-year residence requirement is discriminatory and antiquated. It is a condition which should be changed immediately. A period of 5 or 10 years' residence in Canada would be quite adequate for all practical purposes. Those over 70 who qualify for old age security must also have lived in Canada for 20 years. There is no rhyme or reason to continue this lengthy residence period.

I was hopeful, after raising this matter at a federal-provincial conference last year, that the Ottawa government would recognize newer Canadians, who, after all, must live under the same economic conditions in planning for their older years, as apply to the population as a whole.

My other point is that in old age assistance, as in disabled persons' allowances, the allowable income—\$720 and \$1,200—are unrealistic. In establishing this standard of living for elderly persons in the age group, 65-69 years, all incentive for at least partial self-help is removed just because they have not

yet reached that fortunate age of 70 years.

I suggested, at the meeting in Ottawa, that the allowable incomes be increased at least to \$840 and \$1,440 respectively. In fact, if, in the wisdom of the federal authorities, the amounts are advanced beyond these figures, we would be quite prepared to share in the resulting additional costs.

Without going into too much detail, I might say that advice has gone forward, at the request of the federal Department of Health and Welfare, concerning many proposed amendments which we consider would simplify the treatment of these cases.

Among other things, exemptions for medical expenditures should be allowed. We are constantly running into the problem of overpayments, and I am sure each and every member has knowledge of such cases.

It is true that if an overpayment occurs when the person is receiving old age assistance and is not collected from him, the Ottawa government will recover the overpayment by deductions from his old age security over a period of two years, if necessary. I believe this is an unjustified practice, particularly in cases where there was no fraudulent intent. In many cases overpayments occur because recipients accept casual employment with small earnings or they acquire some additional amounts of income from other sources. There is no question that such extra funds were needed.

But because the allowable amounts of income were exceeded, overpayments resulted, often unexpectedly and unintentionally. Recovery of overpayments in such cases should be stopped, and I would suggest to the federal authorities that we are quite willing to waive our share of these recoveries if they are prepared to dispense with this practice.

I have spent some time in outlining the complicated features in the administration of our welfare programmes so that hon. members understand some of our difficulties. The recent federal budget brought to light the plans of the

Ottawa government to increase maximum allowances for recipients of old age assistance, disabled persons' allowances and blind persons' allowances, as well as in old age security, from \$40 to \$46 effective July 1st. The province will share the costs of these increases under the federal-provincial agreements.

We will also continue to share in supplementary allowances which might be required by any of our recipients up to a maximum of \$20 per month—the province meeting 60 per cent. of the cost. I would certainly agree with the comment of our hon. Prime Minister (Mr. Frost) when he said concerning the federal government: "We'll match anything they do in that line. It's too bad they didn't make it more."

There would appear to be a purely mechanical — "I.B.M." — approach, on the part of the federal government, in preparing the budget for welfare payments. At least I am given to understand that the \$6 increase just takes into account the percentage increase in the cost of living since January 1, 1952.

I have mentioned on many occasions how deeply I regret that the hazards of retirement are not being met by an insurance-maintenance plan rather than by the present flat-rate, "pay-as-you-go" old age security scheme. The insurance principle is the accepted practice in most countries. Switzerland, for example, with a population less than that of Ontario, allows persons to pay into a fund throughout their lifetime so that they can recover payments, as a right when, for any reasons, they retire.

There is a marked contrast between the scheme we have in Canada and that of our closest neighbour, the United States. Insurance is an accepted method of providing for all eventualities in our private lives; but how much more important it is to relate this principle to the public level to protect the widest group possible against the common hazards of life—those hazards which are not under the control of the individual.

I was interested in comparing the per capita cost for old age security in

Canada and for the old age and survivors insurance programme in the United States. The restrictive Canadian scheme costs \$22.77 per capita. In the United States, with a well-rounded programme, much superior in every respect, the per capita cost was just \$27.08. The small difference of \$4.31 is indeed significant when we consider the wide scope of the American plan.

It should be noted that those who pay into the United States insurance scheme—or trust fund—are assured that these moneys will be retained solely for the needs of the contributors. In Canada, no one appears to have any real knowledge of the amount of "kick-back" or income tax recovery from the old age security pensions which serves to augment the federal coffers. In addition, of course, the aged have to pay back some of their income through fixed sales and other taxes.

It is not at all certain that all of these funds, which are collected, are directed just to the benefit of the aged. It would seem to be evident that the federal government, through the internal revenue department, is utilizing funds which were supposedly contributed to benefit our aged citizens. In any event, it is quite clear that this scheme is inadequate. I would suggest that, some time in the future, the Ottawa government will find it necessary to inaugurate an insurance programme.

While on the subject of the aged, I might say that we are continuing our programme of encouraging and assisting in the building of suitable homes for the aged. Our efforts in this regard have been viewed with much favour throughout the province. It has been indicated that there are many elderly persons who require the types of care and maintenance which can be provided in these homes.

The federal government, through the Central Mortgage and Housing Corporation, has introduced excellent legislation to provide for the major share of the cost in the building of suitable housing units for elderly persons.

These units are available in several municipalities, where elderly couples, in particular, may provide for their own needs in self-contained quarters. Ontario is lending a hand in this scheme, under The Elderly Persons' Housing Aid Act, and shares equally the balance of the cost of construction with the municipality or the sponsoring organization beyond the 85 per cent. which is underwritten by the Central Mortgage and Housing Corporation.

I would very much like to see this plan extended to cover all the major centres. I am sure the federal authorities will continue their interest in this programme, and I know that we are prepared to make the necessary outright grants towards assisting municipalities and private organizations who sponsor the building of these fine housing units.

We are giving much thought to the whole problem of aging, and retain an eminent geriatric consultant in the person of Dr. W. W. Priddle to advise on matters relating to medical treatment and research in the aging process. We are hopeful through our studies of our aged to give even greater benefits to those in our care.

For those persons who do not qualify for the special forms of assistance—old age assistance, disabled persons' allowances, blind persons' allowances and mothers' allowances—welfare assistance is available through the municipalities. It has been announced that the province will share 60 per cent. of the expenditures for this purpose, which leaves 40 per cent. to be provided by the municipalities. This increase in the sharing of costs, along with the unconditional grants, will give more financial leeway to the municipalities in relation to their welfare expenditures.

Hon. members will know that the municipalities are indispensable in providing welfare assistance for needy persons who cannot qualify under the special programmes. We are now reviewing the schedule of allowances under The Unemployment Relief Act, and anticipate that increases will be made

in the present rates. The new rates will be announced in the near future.

Each year it is apparent that, both from the points of view of qualifications and funds being made available to needy persons, expansions are taking place. Refinements in programmes are being introduced continually, all towards benefiting those we are serving.

Aside from the legislation which has been dealt with by hon. members of this House, we are providing for additional funds not only to the benefit of our cases, but also towards relieving the municipalities of some of their problems in the welfare field. Almost every type of recipient who receives aid under our welfare programmes will be eligible for increases in the amounts now being made available to them.

Ontario is exceedingly well served by its newspapers. It has been stated by an American that "we live under a government of men and morning newspapers." On the other hand, the Manchester *Guardian* has remarked: "Comment is free and facts are sacred."

In any case, I do not think it is generally realized that the press forms as much a part of government as government itself. It is to the advantage of the public that they be kept well informed. In this province, especially, our people are benefiting from the wide coverage of governmental activities in their newspapers.

I was very pleased, in particular, with the series of articles by Mr. Ben Rose of the Toronto *Daily Star*, on the subject of adopting children. We have had many inquiries directed to us as a result of this series. It was, indeed, a very fine public service. I would also mention how much public understanding was achieved through Mr. Allan Kent's articles which appeared in the Toronto *Telegram*. Mr. Kent dealt with the difficult problems presented by cases in which families have been deserted by the breadwinner.

The *Globe and Mail* has given exceptional coverage of welfare subjects through the many spot news stories of

Messrs. William Kinmond and Grey Hamilton.

I consider it not only a duty but a real pleasure to pay tribute to the present permanent members of the press gallery: Ed. Mahoney of the *Toronto Telegram*; William Kinmond, *Globe and Mail*; Don O'Hearn, Thomson newspapers; Roy Greenaway, *Toronto Daily Star*; Phil Adler, Canadian Press; and Bob Hanley of the *Hamilton Spectator*.

Of course, we welcome the other members of the press who are here to keep the public informed while the House is in session. There is certainly no group more conscientious or wide awake in serving the people of this province.

I must not let the occasion pass without referring to the efforts being made and results achieved by the professional schools of social work, in recruiting, training, and in the making of young men and women available to serve in this relatively new profession. We are lending encouragement to these efforts in the form of grants to the school of social work of the University of Toronto and to the St. Patrick's school of social work which is affiliated with the University of Ottawa.

Much emphasis has been placed upon providing trained personnel for the child welfare programme, the operation of which is vested in the children's aid societies. I have been particularly encouraged by the expansion of the St. Patrick's school of social work, and appreciate the highly co-operative approach of father Swithun Bowers, the director of this school, and the contribution he is making towards the education and placement of his graduates, especially in the child welfare field.

It should be commonly known that the members of my staff strive at all times to give every benefit of the doubt to cases, where this is at all possible. Theirs is a job of trying to relieve distress, whatever the cause may be. It has been my own experience that improvements are being accomplished in getting our services to the people who require them.

I am fully aware that all hon. members of this House have a multitude of duties to perform in addition to those relating specifically to welfare problems and cases. There should be no question in their minds that the department, as a whole, is committed to lessen the burdens of their work and to relieve them of time-consuming detail, wherever possible.

I am sure most hon. members recognize that the departmental directors, welfare administrators, and supervisors, and all those who carry out all the various duties to bring services to our citizens, are as hard-working, dependable, and considerate as any group of employees which can be found elsewhere.

I know that they often face intense worries in relation to individual cases, and I know how conscientiously they strive to be sure that every consideration is given to each case. I do not want to labour this feature, but I am so well aware, in the senior posts in particular, their working hours are often not confined to those established by the civil service regulations.

The citizens of this province owe a very great debt to the hon. Minister of Agriculture (Mr. Goodfellow), for the services he gave them as Minister of Public Welfare. In a lengthy and progressive tenure of office, he was probably responsible for more vital welfare legislation and expansion of services than any other hon. Minister.

The hon. Minister served to place Ontario in the forefront of services related to welfare. He received the wholehearted support of succeeding governments and Legislatures in the many progressive measures he sponsored and introduced. There is no question that he built soundly and well.

I can well appreciate the immensity of the mass problems which often appear in the welfare field, as well as the individual difficulties which many persons encounter. I just want to say a sincere word of thanks to all hon. members of this House for their genuine interest in, and concern for, cases which come to

their attention and which they refer to my department.

It is gratifying to know that, despite heavy responsibilities, most hon. members here seem to be able to find time to devote to people who need help and who look to them for guidance.

MR. R. WHICHER (Bruce): Mr. Chairman, in rising to say a few words in reply to the hon. Minister of Public Welfare, I might say, first, that I do not think there is any department hon. members in the opposition have to work with where we get more co-operation than we do in The Department of Public Welfare and from the hon. Minister of Public Welfare, his deputy, and all of his staff in this building.

We certainly appreciate all the assistance we get, and I think, taking into account the legislation with which they have to work, they are doing a remarkable job, and the people in this province are very fortunate to have kindly and sympathetic officials as they have in The Department of Public Welfare.

There are many things with which I agree that the hon. Minister spoke about. There are, however, perhaps, certain things with which I disagree.

I was very interested when the hon. Minister spoke, for example, about the 20-year residence feature in this Dominion of ours, and I agree most wholeheartedly with him that a time such as that is most unrealistic and that it should be brought down to a figure where people who come to this country and who have lived here for 10 years, or some realistic figure, should be entitled to the benefits that we, as the people of this province, and of this Dominion, receive.

They not only should have it, but it is a right, and I hope that the hon. Minister can put pressure on these people, in his good office—on the officials in Ottawa—and that they will sit down across the table and try to get benefits for people who have not had the good fortune to live here for the whole 20 years.

I thought, in my remarks, that it would be fair to show where these welfare benefits came from, and without being lengthy—I can assure hon. members of this House—to show where it all started.

My figures and summaries show that the old age pension was first introduced into the Dominion of Canada in 1927, and at that time it was on a 50-50 basis between the federal government and the provinces for all those over 70 years of age, and at that time was \$20 per month.

In 1931, the provinces and the federal government met again and the federal government agreed to take over 75 per cent. of the cost of old age pensions and the provinces were on a 25 per cent. basis. In 1943, this pension was increased from \$20 to \$25 a month, under the same percentage basis. In 1947, it was increased to \$30 per month, and in 1949 was increased to \$40 per month. Now, in 1957, as of the first of July, it is being increased to \$46 a month.

In 1950, the federal government and the provinces met and agreed to pay \$40 per month for all those persons between 65 and 70 years of age, on a 50-50 basis; and in 1952, to bring it entirely up-to-date, the federal government agreed to pay 100 per cent. of all the pensions to persons over 70 years of age at \$40. And as of the first of July, 1957, it will be \$46 per month, of which they pay the entire cost.

My purpose this afternoon is not to come in conflict with the hon. members opposite, but to try and be realistic and to try to illustrate the fact, and it is a fact—as hon. members will agree—that with the farming industry, the agricultural industry, in this province and all across the Dominion of Canada, that, along with the farmers of this province, there is one other group — one other society, let us say—which is not getting a fair share of our wealth—the old age pensioners.

My purpose, Mr. Chairman, is not to quarrel and not to say who should

pay more, but just simply to say this, that they are not getting a fair share. They are our fathers and our mothers, and in a wealthy country like the Dominion of Canada, and the province of Ontario, more should be done.

The figures I am about to give are not given antagonistically, but I wish to point out to the hon. members present, that in 1956, the cost to the federal government for the old age security alone in the province of Ontario was \$134 million.

HON. A. K. ROBERTS (Attorney-General): May I ask the hon. member a question? Is he making any allowance for the income tax, at all?

MR. WHICHER: I am making that allowance. I am quite willing—

HON. MR. DUNBAR: There is a special tax for old age pensioners.

HON. L. M. FROST (Prime Minister): There is a 2 per cent. tax.

MR. WHICHER: I can assure the hon. Attorney-General that I am not interested where the tax comes from—

HON. MR. ROBERTS: The hon. member said it was the federal government.

MR. WHICHER: I said the federal government paid.

MR. YAREMKO: And that is really being fair?

MR. WHICHER: If the government wants to have a little discussion here this afternoon, I am quite willing to enter into it, but I want to try to do something for these people, and talk about it.

I am saying that from the federal treasury, for old age security, in 1956, there was \$134 million. With the increase as of the first of July, 1957, it will cost them—there will come from

the treasury—another \$20 million. I will only bring this other figure out once more to be realistic, because there are plenty more—I could talk about jobless insurance and blindness and disability and so forth—but I only bring this large figure out for family allowances, that last year the federal government paid to the people of this province \$116 million.

To illustrate to the hon. members present — last year, between family allowance and old age security, there were some \$250 million paid to the people of this province, and I say rightly so—

HON. MR. FROST: I would point out to the hon. member that they raised more than that from our people for that specific purpose. Why should they not pay it to us?

MR. WHICHER: I agree entirely. I do not want the hon. Prime Minister to be touchy about these things—

HON. MR. FROST: I am not touchy at all.

MR. WHICHER: I understand there was a party last night. I do not know how late it was. Perhaps other people are touchy, too.

So far as family allowance and old age security were concerned, \$250 million went for security assistance; so far as the province of Ontario is concerned, it was in the neighbourhood of \$5 million. I am not trying to put the figure of \$5 million against a quarter of a billion dollars at all. I agree that the federal government should pay by far the major share.

HON. MR. FROST: They should pay it all.

MR. WHICHER: The hon. Prime Minister signed the agreement.

HON. MR. FROST: Yes.

MR. WHICHER: Why did the hon. Prime Minister do it?

HON. MR. FROST: Because it was the best I could get.

MR. WHICHER: If anybody bears the responsibility, it is the hon. Prime Minister. It is not the responsibility of any other hon. member in this House. If he did not like it, why did he sign it?

HON. MR. FROST: I told them I did not like it.

MR. WHICHER: The hon. Prime Minister signed it.

HON. MR. FROST: I did.

MR. WHICHER: I do not like to sign cheques, but sometimes I have to do it, and I am willing to bear the consequences. It comes off my account.

HON. MR. FROST: Does the hon. member not think it was better to take a quarter of a loaf than nothing at all?

MR. WHICHER: If the hon. Prime Minister does not like the quarter loaf, he had better keep quiet about it. It was he who signed the agreement. As a matter of fact, if the hon. Prime Minister had a loaf and a half, he would not be satisfied with it either.

To get back to the point of the hon. member for Riverdale (Mr. Macaulay) who is always under control, I wish to point out that there is one segment of our people in this province besides the agricultural industry who are not getting a fair deal, and those people are our fathers and mothers, the old age pensioners.

I am not interested whether it is the federal government's responsibility or whether it is the provincial government's responsibility.

HON. MR. FROST: I am very interested.

MR. T. D. THOMAS (Oshawa): I think the hon. Prime Minister is out of order. He is not in his place.

MR. WHICHER: After being in this House for only two sessions, I have found that the hon. Prime Minister is always in order, no matter where he is—whether sitting down, or standing up; he is in order.

It seems rather strange to me that this province which the hon. Prime Minister has described—and if the hon. Prime Minister will get back in his place then he can talk back and I would just welcome it at the present time—the hon. Prime Minister has described us as the wealthiest province in the entire Dominion of Canada and has said that we are not on the same basis as such poor provinces as British Columbia, who, the hon. Prime Minister said, about a year ago today were approaching economic chaos if they did not do this or that.

At the same time, however, they pay supplementary allowances and this poor old province of Ontario, which pays approximately 50 per cent. of all taxes that go into the federal treasury cannot do anything about it. The hon. Provincial Treasurer (Mr. Porter) was talking the other day about billions of dollars, but there were very few of those dollars going into the purses of the aged people of this province.

I suggest to the hon. members of this House that if any one deserves it they deserve it. If it were not for them we would not even be here; not only as far as highways and the development of this province is concerned, but because of the many contributions by these elder citizens of ours.

I suggest to the hon. Prime Minister, because I know he is a man who could handle this, to become a little more realistic. Last year the hon. Prime Minister made the statement that he simply would not enter into a means test—I believe he said that, but I stand to be corrected if I am wrong—that he had become involved in such a scheme some time previously and did not wish to become involved again.

I would suggest to the hon. Minister of Public Welfare (Mr. Cecile) that since, at the present time, he has offered municipalities a supplementary allowance of \$20 a month on a 60-40 basis, and I do agree with the hon. members opposite that the municipality should enter into this scheme because they are the people who are on the job. They know old Tom Smith or old Joe Brown, whoever it might be, and they can tell more readily than the hon. Minister of Public Welfare, whether they should receive this supplementary allowance or not.

I would suggest to the hon. Minister instead of making it a 60-40 basis—because that is not satisfactory, simply because the municipalities cannot afford it—I would suggest that it be done on another basis.

There are dozens and dozens of municipalities in the province which do not have a single old age pensioner on supplementary allowance for the simple reason they are afraid to enter into this agreement. They are afraid if they give one person \$20 a month there will be 25 or 50 more people who are rightfully entitled to it, but they cannot give it to them for the simple reason that they cannot afford it.

I suggest to the hon. Minister of Public Welfare, that with all the millions of dollars we are taking into the treasury in the province, it should be about a 90 per cent. contribution on his behalf, allowing the municipalities to pay 10 per cent. The municipalities should have something to do with it, not only for administration purposes but because they are on the ground floor and know who are entitled to receive the allowance, but for other reasons as well.

I agree that this 10 per cent. would only be a token charge but, nevertheless, the municipalities which are realistic about these pensioners and which are not in the habit of giving money away, would be able to screen them and would be in a position to recommend to the hon. Minister of Public Welfare those who are entitled to supplementary allowance.

The reason a good many municipalities in this province are not taking advantage of the offer is, as I have stated, simply because they cannot afford to do so. That is it in a nutshell. Because I know the hon. Minister is a fair-minded man I hope he will try to influence his colleagues.

I think he has done a remarkable job as far as the legislation allows him to go, and I hope the hon. Minister of Public Welfare will attempt to encourage his colleagues to try and obtain a more realistic figure so that the municipalities of this province can afford to enter the agreement the hon. Minister offers.

Let us make this on the basis of 90 and 10 and then these aged persons will be screened by the municipalities and will receive the money to which they are rightfully entitled. It is not fair that the people in British Columbia, Alberta, and Saskatchewan, have the right to get extra supplementary allowance that your father and my father cannot obtain in this province.

I do not intend to go into this at length; the remarks I have made are made in all sincerity. I do not intend to be nasty about it. I think something should be done for these older citizens of the province of Ontario and, I leave it entirely in the hands of the hon. Minister. I know he thinks they deserve a square deal and I know he will give it to them.

MR. MACAULAY: May I ask the hon. member a question? I know the hon. member said he was not going to be nasty about it; he has nothing nasty in him, but I do want to ask him a question.

I think he said the basis of \$46 should be increased. Is that so?

MR. WHICHER: Yes, in cases of need.

MR. MACAULAY: But not as a basis where there is no means test.

MR. WHICHER: No.

MR. MACAULAY: Then that means the supplementary allowances should not be increased?

MR. WHICHER: In reply to that, I believe we have to be realistic about this matter. We would all like to give them \$100 a month but the province has offered to give \$20 on a 60-40 basis, and I say \$20 is reasonable.

MR. MACAULAY: It is reasonable? Then the hon. member is not advocating raising supplementary allowances?

MR. WHICHER: No.

MR. MACAULAY: I am not trying to corner the hon. member but just trying to understand his position.

MR. OLIVER: The hon. member is conducting a cross-examination.

MR. MACAULAY: This does not help the Fathers of Confederation but it does help me. If this province is to take over the difference between the proportion of the supplementary tax which it is now paying and what the hon. member suggests, would he approve a special tax, as in the federal government, to raise the revenue? I wish the hon. member would not look to his right, I would like him to answer.

MR. WHICHER: Very well, I will answer. I have spoken to many people about the old age pension situation in this province; not the hon. Provincial Secretary, but people—

HON. MR. DUNBAR: Do not tackle me, the last one who did is not back in his place yet.

MR. WHICHER: And when I see how the hon. Provincial Secretary handles these people I do not want to get into his clutches. I would say this to the hon. member for Riverdale: I have talked to many people and the opinion is that there are many older citizens in the municipalities of this province who are not getting a fair deal financially.

As far as I am personally concerned, if the hon. Provincial Treasurer would bring in some sort of realistic special tax to assist the older citizens of this province, I would be very much in favour of it.

MR. MACAULAY: The hon. member does not want to increase the supplementary allowance? Did he not say that?

MR. WHICHER: I say the province would have to increase it in this way; instead of giving 60 per cent. they will pay 90 per cent.

MR. OLIVER: They will get more.

MR. WHICHER: There will be more recipients.

MR. MACAULAY: It still does not help the mother or father the hon. member was speaking about. They will not receive any more.

MR. WHICHER: There will be more fathers and mothers who will have the opportunity of receiving it. At the present time when a person applies to the municipality he is told "we cannot afford it" and that is the end of it. If the province paid 90 per cent. then the municipality would accept the administration cost and get into the deal.

MR. A. H. COWLING (High Park): Let us stop mumbling; I have something I would like to state. I agree with the hon. member for Bruce. It would be a wonderful thing if it were possible to pay everybody \$60 a month, but it is a question of where the money is coming from. I would like to tell the hon. members something about what our excellent hon. Minister and government are doing and have been doing for the past 5 or 6 years.

They are eliminating fear and anxiety from the old age outlook of Ontario's residents. They are providing for their care and comfort in their declining years in a way that serves as an example to

all legislative bodies and placing the Ontario government among the leading administrations which are dealing with social security measures in a progressive fashion.

In recent years, under government planning and supervision, such far-reaching improvements have been made in caring for the aged that there is practically no resemblance to the situation today and that of 10 years ago.

The first home for the aged in Ontario was established more than 80 years ago, but it was not until 1947 that any real progress was made in lifting these institutions from the common conception of them as refuges for the poor and needy to their present-day level of attractive havens where special care and all the comforts and conveniences of home life are accorded those who are living in them.

Under the old Houses of Refuge Act, people were committed to these institutions, whereas today, they apply for admission. In the old days, houses of refuge were the sole responsibility of the municipality, county or district in which they were located. A congregate type of care was all that was provided.

There was no segregation of the confused or mentally impaired, no bed care, no special care for the sick and enfeebled. Nor was there accommodation for married couples. When committed to the house of refuge the man and wife were separated, even deprived of the right to vote. Supervision and management of these places was not the organization, understanding effort it is today.

Government participation in their establishment and maintenance formerly was almost negligible. Up to 1947, it had never gone beyond a contribution of \$4,000 towards capital cost and a *per diem* grant of 7 cents per inmate for maintenance in charitable institutions. The main burden of construction and maintenance costs had to be borne by the municipalities or private organizations.

As other burdens kept piling up on the limited taxing powers of the municipalities, it is no wonder that the houses of

refuge, operating on low budgets and consequently cramped in their service to the community, came to be regarded as places of last resort.

The result was that added burdens were placed on accommodation in hospitals and other institutions. The whole balance of public welfare work was upset. Municipalities soon found it impossible to cope with the increasing problem of aged people's care and it was apparent the whole question had to be studied from the government level and a solution sought.

In 1947, the Ontario government took the initial step that was to change the whole picture and bring relief to a situation that might have become a degrading smear on the name of the province. It scrapped the two existing statutes dealing with houses of refuge, replacing them with The Homes for the Aged Act and The District Homes for the Aged Act.

Abolishing the house of refuge appellation was an indication of the new spirit behind the Acts because the purpose was to make them homes for aged people in a real sense, associating care with comfort and dignity. Under these Acts, the government boosted its contribution to 25 per cent. of construction costs.

This increased government participation provided some improvement, but still the problem of caring for the aged was a vexing one. Accordingly, in 1949, it was decided to consolidate the two existing Acts into one and provide for a 50 per cent. contribution towards the approved capital costs of new buildings and renovations to old buildings as well as sharing with the municipalities on a 50-50 basis the cost of furnishing, equipping and maintaining the homes.

The government also abolished the term "inmate" as applying to occupants of the homes and substituted that of "resident." It also restored the right to vote to all eligible residents.

This important legislation stimulated a programme of planning and building of

public homes for the aged that has reached an estimated expenditure of \$15 million. In the next two or three years, it will likely double that figure.

The notable feature of this programme is that segregated accommodation is provided for 3 major groups in the care of the aged people: Those who are able to be up and about; those who require bed care, and those whose mental ability is somewhat impaired. The modern home for the aged is so constructed that a separate building with all the facilities is provided for each group under the one home.

They don't have to be moved from place to place. Another notable feature is that accommodation is provided for a man and wife to live together in a home-like atmosphere rather than that of a private institution. Every reasonable comfort is provided in the selection of furnishings and equipment. Provision is made so that elderly people will not have to climb stairs and all buildings are designed so that additions can be made conveniently if more residents are to be accommodated in future years.

Where the buildings are not constructed wholly fireproof, fire alarm systems have been installed with thermostatically operated fire detectors in all ceilings and roof spaces, with automatic connection to the local municipal fire hall. Fire hose stations are placed also at regular intervals in the buildings.

There is no single solution to the care of elderly people, so the government has made provision under The Charitable Institutions Act for capital and *per diem* grants to all homes operated by private groups, church and fraternal organizations. It also contributes 20 cents per resident per day to the care of people in these homes.

Provision is also made by the government for the special-home care. This covers persons placed in private homes in a municipality on the recommendation of a superintendent of the home in that locality.

Such a private home must not accommodate more than five other lodgers or

boarders and must be a fit and proper place and not a residence of a parent or child of the person placed there. The province shares the cost of the maintenance of such persons with the municipality.

At the present time there are in operation 97 homes for the aged throughout the province, 42 of them under municipal auspices. More are being planned and constructed every year.

Just adding to what the hon. Minister said a short time ago, in metropolitan Toronto, we are very proud of the advances that have been made to assist in this great programme of homes for the aged.

A new home has been opened in Etobicoke; we have one in York township; several others are in the course of preparation in metropolitan Toronto, so that we can take care of all our senior citizens.

In conclusion, Mr. Chairman, I would like to say that I have talked with some of our elderly people, some of our senior citizens who are now living in, and those who would like to live in, this newest accommodation out in the riding of the hon. member for York West (Mr. Rowntree), and they say the apartments and the accommodation are the finest they have ever seen, and I think the tops in the rental is about \$42 or \$43 a month, and it is necessarily lower if they can show need for the accommodation.

I just wanted to point out, Mr. Chairman, to the hon. member, who is a very fair and reasonable man, that this province has made great strides towards the care of our aged people and is continuing to do so. I know that the hon. Minister and his capable staff meet with people from all over the North American continent who come to Ontario to see what we are doing and the great accomplishments here in our province for the aged.

I would like to add that many hon. members here may some day find it necessary to seek this accommodation, and I think if that time should ever come we would be very proud to live

in the type of location that we have provided right at this time.

MR. J. YAREMKO (Bellwoods): Mr. Chairman, I should like to say a few words at this time, and they will be very brief. I would most heartily endorse the recommendation of the hon. Minister of Public Welfare to Ottawa that the residence term should be lowered. I agree with him that there is no rhyme nor reason behind the 20-year term.

No person comes to Canada with the idea in mind he will sooner or later receive an old age pension. People do not come to Canada for that reason. They come to establish a home for themselves, and if, having arrived here through some circumstance, things do not go well, and if they have in the interim attained Canadian citizenship which only takes 5 years to attain, there is no reason why they should not be on an equal basis with all other citizens.

I also endorse that the hon. Minister of Public Welfare repeatedly make representations to Ottawa which has The Department of Citizenship and Immigration on the one hand, and yet, having granted citizenship, does not at the same time grant the full rights that go with citizenship, though this is full responsibility without any limitation.

In regard to the old age assistance, I may say, Mr. Chairman, that on the eve of the budget brought down in the federal House in Ottawa there was only one item in which I really had a great deal of interest, because I was very much interested in knowing what would be done for the aged in Canada, and I say in all sincerity that I did not look to see what tax cuts there would be, if any.

Indeed I did not look to see if there would be the possibility of tax increases, but I did look to see what steps would be taken for the aged. I may say I was disappointed, and I do not think there is an hon. member in this House who was not disappointed at what had taken place. I think there are few people in Canada who also were not disappointed.

The hon. member for Bruce did point out that his concern was for those between the age of 65 and 69, those who require old age assistance, and let us see what happened. To those over 70, the federal government was prepared to dip into its coffers and give up \$6, all on its own. I think the hon. members of this House will agree that amongst those over 70, there are many, indeed, to whom the full \$46 has no significance, and yet they were prepared to pay out of their revenues the full \$6.

Yet they did not provide for those who need old age assistance, although they knew full well that this government through the expression of the hon. Prime Minister and, indeed, through legislation that was introduced in this House, was prepared to meet any expenditure on a 50-50 basis. That meant the federal government would only have to dip into its revenue part way, and for every dollar it dipped, this government was going to dip for another dollar, and if they dipped for 6 full dollars of their own, this government signified its intention that it will also be prepared to put in 6 full dollars.

The hon. member for Bruce who wanted to be so fair should have expressed his disappointment to that particular age group with which he was concerned, and actually they were dealt with more poorly than those over 70, for many of whom the \$46 has no significance. Yet the hon. member for Bruce chastised this government for not participating to a fuller degree with the municipalities.

A year ago this government did, and I recall that I and other hon. members had spoken to the hon. Minister of Public Welfare on increasing the limits of the supplementary grants and old age assistance, and indeed hon. members were pleasantly surprised that not only were they increased, but were increased to \$20, which was two-fold, I believe.

Instead of having it on a 50-50 basis, this government also changed it to 60-40. This government in sharing their costs with the municipal authorities last

year raised it by doubling the amount and raised the proportion that they were responsible for from 50 to 60, and only 40 to the municipalities.

I say to the hon. member for Bruce: Would it not have been a wonderful thing for the old age assistance recipients of this province if the federal government had increased, instead of giving \$6, raised it by a full \$12, and we would have been content to pay not 40 per cent., but to have continued to pay 50 per cent.?

I also agree that I am hopeful the hon. Minister of Public Welfare will keep in mind the old age assistance recipients, and not have his back set up too much against the wall because the federal government will not meet him and his recommendations, but that he will do what is within the limits of our possibility. Everything should be done to provide more assistance for those presently receiving old age assistance.

HON. MR. FROST: Mr. Chairman, might I just say to the hon. member the measure of what the two governments do is contained in this. We say to the municipalities that we will share a \$20 increase to old age pensioners on a 60-40 basis; the federal government says to us: "We will share with the old age pensioner \$6 only on a 50-50 basis." That is the measure.

MR. A. J. REAUME (Essex North): Mr. Chairman, I think probably insofar as the homes for the aged are concerned, they are a fine type of home and I think they really meet a good purpose. But the real fact is that the pensions for these people are small. The rents on these homes are approximately \$40 a month, or, in other words, about half of the total pension being paid for both the husband and the wife.

There have been discussions about the old age pensions. We hear fine speeches from Ottawa, and we hear them in this House as well.

In the interval, while the discussions are going on and the speeches are being

made, one thing is certain: The older citizens are suffering by it. The old age pension has been a football that has been kicked around by all parties. Make no mistake about that. I think the sooner all hon. members, regardless of what party we are part of, do something about it, the better. This government talks about 60-40. By way of a means test, before the senior citizens can get any 60-40 arrangement an investigator goes into their homes and wants to find out how many bottles of milk they have in the icebox; he wants to find out if they are receiving any extra food from anybody. If that is an arrangement this government can feel proud of, they can have it.

I think that fundamentally the old age pensions as they apply and the amounts that are given both federally and provincially are by far too small. I think hon. members will find old age pensioners here in Toronto—and I am certain they will find them in Windsor and elsewhere—who in groups are actually occupying basements and attics of old homes for the purpose of trying to cut down on expenses.

It would be a grand thing if we could investigate throughout the province and find out for once and for all how many hundreds of old age pensioners, other than those who are occupying homes for the aged, are occupying attics and basements and things of that sort.

The plight of the old age pensioner is something that no hon. member here or the hon. members of Parliament in Ottawa ought to be rising in their seats and giving any praise about at all. I think it is something disgraceful, and some time, effort and energy and more finance ought to be poured forth into that channel that applies to the pensioner.

If we have an obligation to any group of people in this city, province or the entire country, we indeed have it to the people who have given the best years of their lives for you and me and for all of us.

I am not taking any sides when it comes to this business of who is wrong and who is right. I think we are all wrong. Instead of rising over there and being so proud of the 60-40 arrangement, and saying the government is really doing something of importance, hon. members should become aware that everyone feels — including the pensioners, if they are asked, I am now speaking of the pensioners who actually occupy the homes for the aged, these homes they are building in all parts of the province — I think hon. members will find there is the feeling that before the pensioners can obtain this extra pension, someone will come in and want to know who put that extra bottle of beer in the icebox, who bought it and who paid for it.

Such investigators do come in, and want to know also how many married children the pensioner has who are earning money, even though they have families of their own, they want to know how many children, how much they earn and if they are in any way helping out with the care of these unfortunate aged people.

MR. COWLING: What is the matter with that?

MR. REAUME: In answer to that, I would say that all of us have families of our own and all of us are having problems raising them because it is expensive. There is nothing wrong with a son helping out his parents, but if the son wants to buy his aged father an extra suit of clothes, I do not think that ought to become part and parcel of this 60-40 arrangement that this government has.

MR. G. F. LAVERGNE (Russell): Mr. Chairman, in rising to speak a few words on this particular matter, I beg to differ with the hon. member for Essex North insofar as municipalities are concerned, and insofar as this government is concerned on the 60-40 question.

I do not know how the municipalities treat the problem up in his area, but I do say that down our way, as long as the local administrator — and when I make reference to the administrator I make reference to the municipal person who is in charge of that — satisfies himself that the people are in need, then additional assistance is given and there is no argument, there are no questions on behalf of the officials of this government.

If the municipalities pay over the \$20 then there is forthcoming without question from this government their share of that, which is \$12 on the \$20. As I say, I can only speak for our own particular area and I would like to inform the hon. member that if the pensioner has a dozen bottles of milk in the frigidaire and an additional suit, that is not taken into consideration, and, in fact, we go out and help him get that extra suit.

MR. D. C. MacDONALD (York South): How many supplements are paid in Eastview?

MR. LAVERGNE: That would be an eye-opening revelation to the hon. member.

MR. MacDONALD: I would like to know. Like the hon. member for Riverdale, I am just seeking information.

MR. LAVERGNE: This information would probably be away over the head of the hon. member, but I would say in proportion there would be 50 per cent. of the old age pensioners in that category receiving it.

MR. MacDONALD: How many are being paid? The hon. member is mayor of the town. How many are receiving the supplement?

HON. MR. FROST: More than in Saskatchewan.

MR. LAVERGNE: What would that prove, as mayor of the town?

MR. MacDONALD: I see the answer is not forthcoming.

MR. LAVERGNE: I would say this —

MR. MacDONALD: The hon. member does not know.

MR. T. D. THOMAS (Oshawa): He does not know how many there are?

MR. LAVERGNE: I have not the exact number and the hon. members know that. It is foolish for one who is so anxious to learn to ask another hon. member how many there are.

MR. MacDONALD: The hon. member is mayor of the town.

MR. LAVERGNE: I would say as many as need it, are getting it.

MR. MacDONALD: Well, how many are there?

MR. LAVERGNE: And all we have to do is to have our own municipal official satisfy himself that they need it and there is no question from this government, but they gladly pay it and as many as need it receive it. If that is the answer the hon. member wants, that is the answer he will get.

MR. MacDONALD: Mr. Chairman, I want to speak just briefly on the introduction of these estimates. Before I do I just want to put the hon. Provincial Secretary's (Mr. Dunbar's) mind at ease. The hon. member for Wentworth East (Mr. Gisborn) has not escaped, he is not fearful of coming back, he is enjoying the privilege of being the only hon. member in this House who is a delegate to an important labour convention where labour is charting its economic and political future in a sound and intelligent way.

HON. MR. DUNBAR: Has the hon. member been overlooked?

MR. MacDONALD: I am not eligible. Mr. Chairman.

I want to echo the sentiments of the hon. member for Bruce in his expression

of appreciation to the officials of The Department of Public Welfare, particularly the Deputy Minister, in the unfailing co-operation and consideration in dealing with cases that inevitably come to hon. members of this House during the course of the year.

I think I can go along with him in stating, as I did last year, that there is no department in this government which gives so unfailingly, complete co-operation in this kind of work. However, Mr. Chairman, I think the main problem facing the department is that they have to live within the regulations which are laid down and these regulations are sometimes inhumanly stringent.

This afternoon we have had still another skirmish in the federal election battle, as Ottawa has taken a still further browbeating on the assumption that Ottawa is responsible for all this stringency. Obviously, it is not, because quite a number of these various social services are directly the responsibility of the stringent regulations outlined by this government.

As a matter of fact, to take one case which the hon. member for Bruce raised, the case of assistance to old age pensioners, I was interested in his rather brief and, I might add, incomplete history of the old age pension. The fact of the matter is that old age pensions came into being in this country because J. S. Woodsworth put Mackenzie King on the spot back in 1926, so that the only way he could retain the government was to bring in old age pensions.

MR. LAVERGNE: The hon. member is in the same category as the Russians: "You always done it first."

MR. MacDONALD: I remember 3 or 4 years ago, in the 3 by-elections we had in this province, in its official leaflet the government across the way took full credit for having obtained for the people of Ontario and, presumably, for the people of Canada, old age pensions without a means test in 1951.

HON. MR. FROST: That is right.

MR. MacDONALD: That is right! I will tell the hon. members the man who fought for it in the House of Commons for one generation was Stanley Knowles, and the group that put the government to the test was organized labour during the period from 1946 to 1951. Any claim on the part of the Liberals or the Conservatives that they did it can be answered by saying they did it only when it became such a hot issue that it was the only way to retain votes; so it was done.

MR. WHICHER: The hon. Prime Minister got the family allowance in this House, too.

HON. MR. DUNBAR: The CCF has been a wonderful party.

MR. MacDONALD: What the hon. Provincial Secretary says is correct. They have been the leaven in the loaf of Canadian politics.

Let me return, again, to this comment of the hon. member for Bruce when he spoke about this group of people not receiving their fair share of the great and growing wealth of this province, or of this nation.

If one were to make a comparison between the \$40 in the old age pension which was given back in the 1950-51 period, at a time when Canada's gross national product was about \$16 billion, and the fact that our gross national product is now something like \$30 billion, if they were sharing fully our old age pensioners would be receiving approximately \$75 a month, because the gross national wealth of this nation has risen by about 80 per cent. in the interval.

We have now these two great Johnnies-come-lately on this issue, the Liberals at Ottawa and the Conservatives in this province.

Recently there was this little bit of increase from \$40 to \$46, and we have, finally, an additional argument, documented by the hon. member for Russell, who does not even know what is happen-

ing in his own area, to the effect that this government is a good one in supplementing the niggardly contribution of Ottawa.

I will tell hon. members, that the niggardly contribution of Ottawa is equalled by the niggardly supplement here. The blame rests with the two of them, and on this I do agree with the hon. member for Essex North, that it is about time the buck-passing stopped and something was done to meet the needs —

MR. COWLING: He did not say that.

MR. YAREMKO: I would point out to the hon. member for York South that on the basis that the province is now sharing with the federal government the sum of \$23, and is making available to the municipalities another \$12, this province is making available to old age assistance recipients \$35, and that if somebody else contributed another \$35 we would be close to the \$70.

MR. MacDONALD: That is simply a piece of fancy window dressing which has no relation to the facts at the moment.

What is the situation with respect to the supplementary payments by the province? This is something we should take a look at. It is something that is always lost in the great generalities which the hon. Prime Minister and his supporters indulge in.

I am sorry if I wave my arms and fingers at the hon. member for Riverdale. He seems to be getting a little exasperated by that; but if he would come over to this side of the House and watch the gestures advanced with certain expressions like "within the four corners" or "old man Ontario," he would see that there is a good deal of gesticulation from the other side, too.

The fact of the matter is that the government today, because of procedure which was slurred over by the hon.

member for Russell — this government today is paying the old age supplement to fewer than 5,000 people. The last figure I had from the department — perhaps the hon. Minister can give the up-to-date figure — was about 4,100 — fewer than 5,000 old age pensioners are receiving any sort of supplement.

To indulge in a little mathematical calculation — there are 300,000 old age pensioners in this province, so 295,000 of them do not receive any sort of supplement because this government proceeds on its niggardly way. They leave the responsibility with the municipality, and most municipalities simply cannot touch it financially.

In the province of Saskatchewan and many other western provinces — the province of Saskatchewan, for example, takes responsibility for the payment of supplements and does not leave it on the doorstep of the municipalities.

MR. COWLING: With a sales tax? That is a dandy!

MR. MacDONALD: With the sales tax they have provided a hospital insurance plan, incidentally, and kept the private companies out.

HON. MR. FROST: Could the hon. member give the House a breakdown? What is the breakdown? Is it true that there are 32—

MR. MacDONALD: In the province of Ontario 5,000 of them are getting some sort of supplement, which is less than two per cent. of all old age pensioners — fewer than two per cent. are getting anything. In Saskatchewan 34 per cent.—

MR. MACAULAY: They ought to be getting something.

MR. MacDONALD: 34 per cent. of roughly 48,000 to 50,000 old age pensioners — that is, about 16,000 or 17,000 — are getting supplements.

MR. MACAULAY: And they need it. I would suggest that they need it for even staying there.

MR. MacDONALD: That is below par for even the hon. member for Riverdale.

The province of Saskatchewan would admit that the amount paid is not what it should be, but let hon. members take a look at the totals that are being paid. The province of Saskatchewan does pay out, without any obligation to the municipalities, over \$1 million.

If this government were to do as well, since the total amount that would be paid in supplements to old age pensioners is only \$500,000 or \$600,000 a year, they would not be paying about \$5 million, but at least 10 times as much.

HON. MR. ROBERTS: How much in unconditional grants does this government pay?

MR. MacDONALD: The fact of the matter is that the government at Ottawa is acting niggardly — I agree; but I am going to take sides in this as some hon. member pleaded a few moments ago; because this government is acting just as — in fact, more so — it is acting just as niggardly because fewer than 2 per cent. receive any sort of supplement at all.

There is just one further comment I want to make before we get into the detail of the estimates. I know that when anyone disagrees with the Tory line it is called “an outgrowth of Leninism.”

On a number of previous occasions, in this House, I have had some critical comments to make about the manner in which appointments are made to our public service.

I would just like to say that I had the pleasure about a month or two ago of sitting down with the director of personnel and the Deputy Minister in The Department of Public Welfare and listening to the details of a plan which has been worked out in this department

to provide for the hiring of personnel after examinations which make certain these people are hired not only on a basis of who they know, but, more important, what they know. In other words, they are qualified people and therefore could not fall into the category of patronage appointments.

I would like to see this procedure not only in one department, but where it belongs, in the civil service commission. That is the type of thing the government should lay down as established policy, and implement it so that our civil service commission would become a genuine one, rather than just a rubber stamp for most of the appointments which have been made.

So far so good. So far, this sort of thing in The Department of Public Welfare is very commendable. When the hon. Minister of Lands and Forests (Mr. Mapledoram) the other day commented that he was going to operate on the basis of anyone appointed to his staff, as a casual, being made a permanent or temporary civil servant within one year, all I can say is that I do hope other departments of the government will emulate the steps taken in this direction—likewise with written examinations to obtain qualified persons, I hope that this will be extended across the board, rather than just in The Department of Public Welfare.

MR. W. H. COLLINGS (Beaches): Will the hon. member allow a question?

Will the hon. member not give the government a little credit for breaking ground and being the first government to give pensions to the totally-disabled persons from 18 to 65 years of age; and will he not give this government credit for giving old age pensions to those between 65 and 69 years of age?

MR. MacDONALD: Why should they get credit for the latter?

MR. COLLINGS: Why not?

MR. MacDONALD: It is done across the country.

MR. COLLINGS: This government started it.

MR. MacDONALD: The hon. member is just like Russia; everything done here must be considered a "Frost" if I may quote one of his colleagues.

MR. T. D. THOMAS: The government has been taking quite a drubbing this afternoon because of the measly pensions. We are all agreed, I think, the federal increase in the old age pension was very niggardly, and measly. We are all agreed on that. The hon. member for Essex North said we should be ashamed of ourselves. Irrespective of party, we are all agreed on that.

MR. WHICHER: Everybody but the hon. Prime Minister. The hon. Prime Minister is not ashamed.

MR. T. D. THOMAS: Well, we are all agreed on that. Now, is there anything we can do ourselves? I think there is. I want particularly to refer to the supplementary pension.

There is something which this government can do because that supplement of \$20 a month is so restricted that very few people can qualify. What are the restrictions? \$30 per month out of \$40 pension is allowed for food, clothes and incidentals. I say to the government that this is something we ourselves cannot do. We must increase that even if it is only to \$40 a month for food, clothes and incidentals. At least, we will be doing something.

Today the only person who qualifies for any portion of the supplementary pension of \$20 is either the landlord, in excess rents, or the drugstore, in expensive drugs. I think the government can do something about that by increasing the basic allowance for food, say, from \$30 to \$40 a month. Then we will have an opportunity of seeing how many of the supplementary pensioners will qualify.

I think that is one direction in which we can move: Increase the food allow-

ance to give a greater number of people the right to qualify for a supplementary pension.

The hon. Minister was very critical of the federal government in the course of regulations respecting the disablement pension. He quoted, perhaps, an isolated case of a person who died of cancer, who could not qualify.

I would not be too critical of the federal government if I were the hon. Minister, because one only has to take his mind back to two or three years ago when the hon. Minister of Agriculture (Mr. Goodfellow), who was then hon. Minister of Municipal Affairs, stated in this House that in order for a person to qualify for a disabled pension he had to be totally and permanently incapacitated and unable to wash his own face. I do not think we can get regulations much more restricted than that.

HON. MR. GOODFELLOW: I did not go so far as to say they have to be disabled to the point where they could not wash their own faces.

MR. T. D. THOMAS: I am quite sure the hon. Minister did. If it was not in this House then it was to me personally.

HON. MR. GOODFELLOW: Oh, no.

MR. T. D. THOMAS: I would appeal to the hon. Minister to increase the food allowance for pensioners on a means test basis, surely \$30 is not enough to pay for food and clothes and incidentals.

If we increase it to \$40 a month, it will, at least, show that while we are critical of the federal government and the \$6 a month they are giving, we will do something which is within our own power.

HON. MR. FROST: Is the hon. member agreed with the introducing of an Act before the House in which we

have agreed to match any increase the federal government would give? It should be the federal government which should make adequate provision for the old age pensioner. We pay our portion.

MR. T. D. THOMAS: I am speaking of the supplementary pension. The allotment for food, clothes and incidentals is \$30 a month. That is laid down by the hon. Minister. I think that should be increased to \$40 a month.

Votes 1,700 to 1,702, inclusive, agreed to.

On vote 1,703:

MR. F. R. OLIVER (Leader of the Opposition): On vote 1,703, would the hon. Minister tell us how many of these day nurseries there are now in Ontario, and where they are situated, and if there have been any new ones opened, and what the position is in that respect?

HON. MR. CECILE: I have the report of operations as of February 20th of this year. There are 300 nurseries throughout the province. Of the 300 nurseries, there are really 27 which are considered public-day nurseries.

MR. OLIVER: Are the number of nurseries increasing, is it stationary, or is it decreasing?

HON. MR. CECILE: As far as public nurseries are concerned, they are holding pretty steadily. The odd private one may be increasing, but the public ones, in which we are interested, are remaining quite steady.

Vote 1,703 agreed to.

On vote 1,704:

MR. T. D. THOMAS: Would the hon. Minister say something about the granting of mothers' allowances on the means test basis?

HON. MR. CECILE: When I introduced the bill, I explained the situation at that time by saying to this House that the flat allowance system was to be discontinued and allowance was to be based on a budgetary basis.

We had in mind that under the flat allowance system, the mother of only one child would suffer and the mother of 3 or 4 children would be in a more favoured position. Also in certain cities and towns, shelter varies as to the cost, and it is much higher in a city than in a small town.

I have been consulting with the experts I have chosen to figure this out, and I am not prepared at the present moment to give the hon. member that information because I do not have it with me yet, but it is coming to that point.

MR. MacDONALD: What are the latest figures for the number of people receiving supplements to old age pensions and the monthly amount?

HON. MR. CECILE: Around 4,700, Mr. Chairman, would be the number, and the average payment would be a little over \$12.80. About \$12.81.

MR. T. D. THOMAS: Mr. Chairman, in respect to the disablement pension, it has been increased now by the provincial and federal governments by \$6. Would the allowable income in the case of a single person of \$720 be increased another \$72, which will be \$792 to take care of the \$6 increase?

HON. MR. CECILE: Mr. Chairman, I have not all the information available at the moment. As a matter of fact, it has not been completed yet. However, I am quite sure the allowance has been increased by \$120 for both single people and married couples.

In other words, they have not doubled it. It has been left at the same point. I do not know if that is final, however, but that is the information we have now.

MR. WHICHER: Mr. Chairman, I notice there is almost no change in the expenditure here. I appreciate the fact the government is going to pay 50 per cent. of the added increase, and it seems to me there should be some added expenditure taking that into consideration.

I have one more question in regard to this branch. Without blaming anybody, I would just like to know the details about the means test for anybody 65 years of age who wishes to obtain old age assistance. Is one allowed to have money or a car or a house? Just what are the details?

HON. MR. CECILE: I wish the hon. member would come to my office and I could show him the whole rigmarole. This is quite a complicated matter.

I explained in my remarks a moment ago all about the 5 per cent. assessment on property that we have to take into account, and also whether the pensioner has free shelter and what else. These are all regulations. The major qualifications as I have here are as follows:

(1) Must have attained the age of 65 years;

(2) Must have resided in Canada for the 20 years immediately preceding that date, or if he has not so resided, have been present in Canada prior to those 20 years for an aggregate period equal to twice the aggregate period of absences from Canada during those 20 years.

(3) Is not in receipt of an allowance under The Blind Persons' Act or the War Veterans' Allowances Act, 1946, or a pension under The Old Age Security Act.

(4) is,

(i) an unmarried person, and his income, inclusive of assistance, is not more than \$720 a year, or

(ii) married and living with his spouse and the total income, inclusive of assistance, of the recipient and his spouse is not more than \$1,200 a year.

That is what it is at present. It will be \$120 more after July 1st for those two categories. The blind persons are a little higher. I am not a qualified accountant, but I have to be that to carry out the requirements of the regulations. They are quite complicated. I would be very pleased if the hon. member would pay me a visit some day and I could show him the full details.

MR. WHICHER: Just one more question. Suppose a chap had a couple of hundred dollars in the bank, does he have to spend the \$200? I am just wondering if a person who is applying for this assistance and has money in the bank has to spend everything before he becomes eligible for it?

HON. MR. CECILE: No. He can have \$1,000; that is, of liquid assets.

MR. MACAULAY: Mr. Chairman, on vote 1,705, could I ask the hon. Minister what is the difference between vote 1,705 and vote 1,709? They both have provision in there for old age assistance, etc. What does vote 1,705 exclude or include that vote 1,709 does not include?

HON. MR. CECILE: That is the federal share, Mr. Chairman.

MR. MACAULAY: Are not these capital grants that the hon. Minister is making under vote 1,709? Is that the share of the federal pension that the hon. Minister is paying under vote 1,709, and vote 1,705 is supplementary allowances?

HON. MR. CECILE: No. That vote 1,709 is 100 per cent. refundable by the Dominion government, being 50 per cent. of expenditure for old age assistance, and 75 per cent. expenditure for blind persons' allowance.

MR. MACAULAY: Is the hon. Minister not asking under vote 1,709 for a vote of \$5 million?

HON. MR. CECILE: Yes.

MR. MACAULAY: The hon. Minister cannot vote money contributed by the federal government.

HON. MR. CECILE: We have to pay it out, but we receive it later.

MR. MACAULAY: Thank you.

MR. G. C. WARDROPE (Port Arthur): Mr. Chairman, could I ask the hon. Minister a question? Under the allowances for blind persons, is there a means test for blind pensioners?

HON. MR. CECILE: Yes, Mr. Chairman, there is.

MR. WARDROPE: What is the ceiling on that?

HON. MR. CECILE: The ceiling is a little higher than the others. It is \$860, I believe, for single persons, and \$1,580 for married couples.

MR. WARDROPE: The only reason I asked that, Mr. Chairman, is because I know of a case of a blind man whose wife has a job, a very poorly paid job, and it is most difficult for her to support this blind husband, especially since she has to have somebody in.

I was wondering if something should not be done to remove the means test of blind persons, and if not that, to raise the ceiling in cases of that kind? Perhaps individual cases are treated differently as the circumstances would warrant. However, I would like to know about that. With respect to disabled persons, is there a means test there and what is the ceiling?

HON. MR. CECILE: Mr. Chairman, as far as the disabled are concerned, the means test and the ceiling are the same as under the other Acts in which they participate except The Blind Persons' Act.

I would suggest that the particular case the hon. member is speaking of should be brought to our attention and

we would be very glad to look into it. Possibly special things can be done about those cases.

MR. WARDROPE: Deduction for nurses or something like that?

HON. MR. CECILE: I wish the hon. member would bring it to our attention.

MR. OLIVER: Mr. Chairman, I would like to go back for a moment, if I may, to the estimates for the homes for the aged vote. I was not in my place for a moment at the time. I just wanted to ask the hon. Minister, in the country outside the cities there are a number of private homes to which these aged people go for care.

It seems to me we are facing up against a problem of some magnitude that should be seriously wrestled with at the present time. Many of these homes, of course, are not inspected either on a local level or by the hon. Minister's department. I think the time has come when we should recognize that these homes do a great service, not only to those persons who need the assistance and shelter, but also to the government as a whole, which would otherwise and in some way have to supplement their living.

It seems to me that we ought to recognize this situation for what it is; I believe these homes can be used to very great advantage to shelter large numbers of our population. But, I believe at the same time that we cannot recognize them as homes for that purpose unless we make really sure that they are up to a certain standard and that the aged people are receiving good care.

What I want to leave with the hon. Minister is the suggestion that we ought to go into this part of that picture very thoroughly, because there is a great growth of this kind of home giving this kind of service. There is a danger, I think, in some respects, that without inspection it may be running away with itself.

I would ask the hon. Minister two questions: Whose responsibility would it be to inspect these homes, would it be the responsibility of the local municipality or the responsibility of department inspectors as it is presently constituted?

HON. MR. CECILE: It would be under the licencing in the local administration. They would have a licence from the local municipality, and if provided with one in that particular municipality — that would be the only way they could be inspected at the present time.

MR. OLIVER: My suggestion is that we ought to work out a system of inspection in co-operation with the local authorities that would qualify these homes as proper places for these people to live, and once we have set that standard and insisted on it being adhered to, that the province would, in my view, have full justification for contributing grants towards that home and towards maintaining the people in that home.

We have to house these people somewhere and if we have the right sort of home, and properly qualified people to look after them, the government would not only be justified but I think it would be obligated to look after them there.

HON. MR. CECILE: I think that suggestion is a fair one, and we are doing it now by the new bill with the children, and I think this would be also worthwhile.

HON. MR. FROST: That is an interesting point which we have been considering and studying. We are building, as hon. members know, very extensive homes for the aged in the province, but it is quite true that there are many people who can provide homes for aged people and do it on quite a satisfactory basis. The fact that they do that no doubt saves capital commitments on the part of the municipalities and others.

That is also a feature of our hospitals, there are many private people running convalescent hospitals who are doing a very excellent job. Of course, one of the difficulties is they are doing these things for private gain. On the other hand, they are doing a very admirable job and I wonder what would happen in the province if they were all out of business.

It seems to me that may be one of the weaknesses we have in the province, but I am glad to say that perhaps we are further ahead than any of the other provinces in the matter of convalescent homes and hospitals, and there is much to be said for some of the private hospitals that are conducted in homes and other places. I think we ought to take a good look at that.

This situation is also true in connection with homes for children which will be discussed here. I think the move that is being taken there is toward being able to ascertain as to the standard and type of homes that are kept, and the treatment that is accorded the people. Perhaps a similar move could give us the information on which to make a re-appraisal of private homes for the aged.

MR. MacDONALD: I just want to add my weight to the plea of the hon. Leader of the Opposition, and the reason I raise this is because I have had, entirely unsolicited and from two separate sources, communications from people as to the situation at Sudbury. Has the situation in the Sudbury Home been drawn to the attention of the hon. Minister?

HON. MR. CECILE: I am informed that we are aware of that matter, and are awaiting a report on the whole thing which we do not have at the present time. We have sent an inspector to look into the situation and I am expecting a report.

MR. MacDONALD: I will leave the matter resting there then.

MR. T. D. THOMAS: Mr. Chairman, on vote 1,705, item No. 5, "medical services", the item is for \$1.32 million. In the public accounts for the year ending 1955, the total for all services was \$1.4 million, and that was well above the estimate of that year. There may be some reason for this, and perhaps the hon. Minister could tell us how this fund stood last year and what the arrangement is. Is it on a percentage basis? How do the doctors get paid? Any relevant information respecting that item would be appreciated.

HON. MR. CECILE: Mr. Chairman, the whole administration of this is in the hands of the medical association.

MR. T. D. THOMAS: Have we no representation there at all; do we just hand the money over and they administer it?

HON. MR. CECILE: We pay them \$1.05 per capita per month for those who receive the pension and that is it.

MR. T. D. THOMAS: Mr. Chairman, that is interesting. I gather from the hon. Minister that we pay \$1.05 per month for every pensioner in the province of Ontario; we just hand it over to the medical profession and then we do not know anything more about it. Is that the situation?

HON. MR. FROST: That is a slight exaggeration.

MR. T. D. THOMAS: Not a very good one, is it?

HON. MR. FROST: As a matter of fact, it is a good one.

HON. MR. CECILE: It is working very well.

Votes 1,708 to 1,710 agreed to.

HON. MR. FROST: Mr. Chairman, I move that the committee do now rise and report certain resolutions.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions and asks leave to sit again.

Motion agreed to; report adopted.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole, Mr. C. E. Janes in the chair.

THE POWER COMMISSION ACT

House in committee on Bill No. 80, An Act to amend The Power Commission Act.

Sections 1 to 4, inclusive, agreed to.

Bill No. 80 reported.

THE ST. LAWRENCE DEVELOPMENT ACT, 1952 (No. 2)

House in committee on Bill No. 81, An Act to amend The St. Lawrence Development Act, 1952 (No. 2).

Sections 1 to 4, inclusive, agreed to.

Bill No. 81 reported.

THE FREQUENCY STANDARDIZATION ACT

House in committee on Bill No. 143, An Act to validate Certain Agreements Entered into by The Hydro-Electric Power Commission of Ontario with Certain Quebec Power Companies with Respect to Frequency Standardization.

Sections 1 to 3, inclusive, agreed to.

Preamble agreed to.

Schedule A agreed to.

Schedule B agreed to.

Schedule C agreed to.

Schedule D agreed to.

Bill No. 143 reported.

THE CHILD WELFARE ACT, 1954

House in committee on Bill No. 151, An Act to amend The Child Welfare Act, 1954.

Sections 1 to 23, inclusive, agreed to.

Bill No. 151 reported.

HON. MR. FROST: Regarding the 10th order—that is, The Highway Improvement Act—would it be satisfactory to the opposition to go through this Act and call the pages, and if there are any points upon which there is discussion hon. members can let the House know, and call the section?

MR. T. D. THOMAS: There are one or two things which I would like to draw to the attention of the government, and if the hon. chairman would go along a little slower with the sections, I think it would be a great advantage.

HON. MR. FROST: The sections, I understand, have all been gone through. It is a question of getting the matter reviewed. We have done this before—called the page numbers. If there is any point that hon. members are interested in then they can raise it.

THE HIGHWAY IMPROVEMENT ACT, 1957

Page 1 agreed to.

MR. R. WHICHER (Bruce): Mr. Chairman, on page 2, section 2, do I understand that the only difference between this and the old bill is the fact that there is the omission of “. . . no longer required for the use of the department . . .”? In other words, according

to subsection 2 of section 2, the hon. Minister can lease or sell any land whatsoever whether it is required by the department or not, without having tenders or advertising.

I would like to have some remarks by the hon. Minister on that.

HON. J. N. ALLAN (Minister of Highways): Mr. Chairman, that is not the thought at all. It merely gives the department the authority to dispose of the land. The land is disposed of either by tender or public auction unless it is to revert to the municipality, or if, following section 27, it is Crown lands that can be taken over by the department from The Department of Lands and Forests, and if we do not make it, it will—

MR. WHICHER: But would the hon. Minister explain why the phrase “no longer required for the use of the department” was taken out?

HON. L. M. FROST (Prime Minister): Because it would not be sold if it was of use to the department.

MR. WHICHER: But does this mean the hon. Minister can sell anything he wants whether it is required by the department or not? Why was it taken out?

HON. MR. ALLAN: We would not sell it if it was required.

MR. WHICHER: I would hope not; and it seems to me that it would be very cheap, from the point of view of printing, to leave that in there.

HON. MR. FROST: It is a long time since I had anything to do with searching title, and I might be out-of-date, but there is a possibility that it might create a difficulty on title unless there was the assertion or proof that it was not used or required for the purposes of the department. I could easily be wrong in my interpretation of that, but it would seem desirable to leave that

out for this reason, that, quite obviously, no hon. Minister is going to sell land that is needed by the department.

HON. MR. ALLAN: That is the reason for the change.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Chairman, I would like to ask if the words “otherwise disposed of” in section 2, subsection 2, were in the old section of the Act?

HON. MR. FROST: The answer is yes.

Section 2 agreed to.

Sections 3 to 6, inclusive, agreed to.

MR. P. MANLEY (Stormont): On section 7, subsection 4, where the hon. Minister may have the whole part of a lot if he considers it cheaper than buying a certain parcel; is that not giving the hon. Minister a lot of leeway to acquire more land than is required for a highway?

HON. MR. ALLAN: I think it is done for the benefit of the person who wants to sell the land. If we were not permitted to have any greater amount than what was needed for a highway, we would not be able to buy whole farms and put them together again and sell them as new farms. This is exactly what the people who own the farms want us to do.

MR. OLIVER: Mr. Chairman, may I revert to section 4? There are amazing powers in section 4; surely much more than is required and much more than should be given to any hon. Minister of Highways.

It says, the Minister or any person authorized by him may, without the consent of the owner (a) enter upon and use any land; (b) alter in any manner any natural or artificial feature of any land; (c) construct and use roads on, to or from any land; or (d) place upon or remove from any land any substance or structure.

HON. MR. ALLAN: Mr. Chairman, there has been no change in that.

MR. WHICHER: It says "new" here.

HON. MR. ALLAN: It is the same section. The purpose of that legislation is to make possible the procedure of the building of a highway. It does not mean we can do any of these things without compensating the person for the land or for any damage that is occasioned; the person must be compensated. Hon. members can readily understand if permission was not granted to enter we could be completely held up on several miles of highway by one small piece of land. This has been our practice, and I think it has been generally practiced and accepted as reasonable by those whom it affects.

MR. OLIVER: I think it goes well beyond the limits of what is reasonable. Section 4 reads:

The Minister or any person authorized by him may, without the consent of the owner —

He does not need to get the consent of the owner; he does not even have to notify the owner. I presume the hon. Minister can drive a bulldozer in some morning and the first thing the owner will know is when the department is on his farm or close to his building.

HON. MR. FROST: That has been the case for years back.

MR. OLIVER: These powers are more extensive than they have ever been.

HON. MR. FROST: They are greatly clarified, and the hon. member is forgetting there is compensation. The owner is protected as far as compensation is concerned.

MR. OLIVER: He is protected as far as compensation is concerned, I am not arguing that at all, but surely the

department should get the consent of the owner, or, at least, have him notified that the department is coming in. Those powers are beyond any that should be given to any hon. Minister of Highways, whether it be the hon. member for Haldimand-Norfolk or anyone else. Surely the individual has some rights left in this province, and surely that includes the right to be notified.

HON. MR. ALLAN: Our practice is to notify.

MR. OLIVER: But it is not necessary according to section 4. If the practice is to notify, it should be set out in the bill. In this case the government does not have to get the owner's consent and does not have to notify him.

HON. MR. FROST: It is only for the purpose of the Act, and I do not know how it could be done any other way.

MR. T. D. THOMAS (Oshawa): The point taken by the hon. Leader of the Opposition is a good one. It does not deny the fact that the department can move in there at any time; they can just move in.

HON. MR. ALLAN: I think hon. members will understand that if it were necessary to have consent before we could get on the land, we would make very poor progress. I believe the hon. Leader of the Opposition said in this House that he was going to be dead before we got highway No. 401 completed.

MR. OLIVER: I did not say I was going to be dead.

AN HON. MEMBER: He said he would be pretty old and I agree with that.

HON. MR. ALLAN: And then, when we endeavour to get along with the project, the hon. Leader of the Opposition is the one to object.

MR. WHICHER: I have gone into this section very thoroughly and I think it is certainly infringing on a person's rights. Some morning a fellow could be in bed and the first thing he knows a bulldozer could be on his territory knocking down his gate and even knocking down the corner of his house. I know this is just in theory, but if it is just in theory why does the hon. Minister need this section in the bill? Why can he not plan it well enough ahead of time? Instead of just being 100 yards ahead of the bulldozer, why could he not be 5 or 10 miles ahead, and then he could give the owner notice?

AN HON. MEMBER: Well, we are miles ahead of the opposition.

MR. WHICHER: I know many who are ahead of the hon. member. A Canadian's home is still his castle.

HON. MR. FROST: Let hon. members not talk nonsense. All the powers of The Expropriation Act are without notice beforehand.

MR. WHICHER: This is not expropriation.

HON. MR. FROST: Yes, it is similar. It is expropriation in a limited sense.

MR. WHICHER: In an unlimited sense.

HON. MR. FROST: If we were to take all of the expropriation sections which have been in force in this province over 50 years and look at them, the hon. member could argue that they were highly arbitrary. It is in the wording, and has to be, but in practice this provision is really not any different from the provision which has been in effect and in operation for years and years. The operation of the department and its servants and the other departments of government are not arbitrary.

I might point out to the hon. Leader of the Opposition that these things can

be magnified to a point where the department could not operate.

This House will, tomorrow, have the opportunity of appropriating something considerably in excess of \$200 million for highway work. Some method has to be followed to get it done. If it is tied up with notices and what not, it means the work is inevitably slowed down some place, perhaps in a number of places, and it is impossible to get ahead. These things are expensive. It costs tens of thousands of dollars to hold up proceedings. What we do is this: these things are compensated for. People are paid for these things.

It is remarkable how few claims or objections there are to the settlements which are made.

I would say to the hon. member for Bruce that if he cares to, let him get specific cases —

MR. WHICHER: Then it would be too late.

HON. MR. FROST: — of proceedings which are arbitrary, and bring them around so that the hon. members can see them. But he will find that such things are not the case.

MR. OLIVER: The hon. Prime Minister knows quite well some of the proceedings are high-handed and arbitrary. It is in a last minute effort to protect the owners, and to make this less high-handed, that we suggest this particular section be altered because it gives altogether too much power to the hon. Minister. The hon. Prime Minister has just said, if I may add this, that this sort of feature is always present in expropriation. Well, Mr. Chairman, that is not what this is, as he knows quite well.

HON. MR. FROST: It is the same thing.

MR. OLIVER: This is giving expropriation powers not necessary at all for carrying on the business of the department.

HON. MR. ALLAN: May I say that this has nothing to do with the building of the highway, the land has to be expropriated before the highway is built. In making surveys it is necessary to go on various farms in order to carry out the surveys, and that is what this is. This is not running a bulldozer down the man's farm; before that happens there must be expropriation proceedings, if there has not been agreement. And under these expropriation proceedings, the farmer is given every consideration.

MR. WHICHER: Mr. Chairman, I appreciate very much the attitude of the hon. Minister and of the hon. Prime Minister. I think they have given their views, but, as far as I and the rest of the hon. members on this side of the House are concerned, we disagree.

Mr. Whicher moves, seconded by Mr. Oliver:

THAT section 4 of Bill No. 69 be deleted.

HON. A. K. ROBERTS (Attorney-General): Mr. Chairman, has the hon. member for Bruce looked at section 10?

MR. D. C. MacDONALD (York South): Before we vote on this, Mr. Chairman, as a bystander, can we get some clarification; is this a new section or is it not?

HON. MR. ALLAN: No, it is not.

MR. MacDONALD: It says it is, both printings of the bill have "new" at the end of them.

HON. MR. ALLAN: That does not mean that this is a new section.

MR. MacDONALD: What does it mean then?

HON. MR. ALLAN: It was taken from The Public Works Act and it was new in this Act, but it is exactly the same wording that has been in existence all the time.

MR. MacDONALD: Oh, well, at least that is the explanation.

Motion negatived on division:

YEAS — 8

NAYS — 47

THE CHAIRMAN: I declare the motion lost.

On section 7:

MR. WHICHER: Mr. Chairman, I am not arguing just to say a lot of words, but in section 7 of part 1, it says:

The Minister may . . . expropriate any land for the purposes of this part or for making compensation in whole or in part to any person under this part.

I know that this section has been amended according to the bill that I have in front of me, and it simply means this, that the hon. Minister can come along and expropriate my land and pay me for a certain part of it, and I might say: "Well, I would like some of my neighbour's land", so the hon. Minister may expropriate my neighbour's land and give it to me in order to make the payment. I say that it is completely wrong.

HON. MR. ALLAN: Oh, no.

MR. WHICHER: That is what it says in the Act. It is a straight case of robbing Peter to pay Paul.

HON. MR. ALLAN: Mr. Chairman, the hon. member for Bruce will be very much disappointed if he hopes to get some of his neighbour's land in that way, because we do not do that. The land is expropriated and any of it that we do not use is sold, either by tender or at public auction.

MR. OLIVER: If that is the case, Mr. Chairman, why does the hon. Minister say: "or for making compensation in whole or in part"? If the land is sold, why does it say that in there?

HON. MR. ALLAN: This is another section that has been in use, having been in The Public Works Act, and has been brought into The Highways Act. It has worked satisfactorily, and we felt that there was no necessity of change.

MR. OLIVER: Well, does the hon. Minister use that part of the section which says "for making compensation in whole or in part"? It means, in other words, trading one lot for another.

HON. MR. ALLAN: The only instances I know in which we have done that has been in the case of a school or a church, where we must find land in order to enable the institution to be replaced in an area that we have, which is satisfactory to those concerned. It is only in the case of some such public institution.

MR. WHICHER: Mr. Chairman, may I ask a question of the hon. Minister with respect to subsection 4 of section 7? What it means there apparently is that, if the hon. Minister considers it is to the advantage of the department to expropriate the whole of a farm instead of just the part that is needed for a highway, he may expropriate the whole thing. I would point out that if it is to the advantage of The Department of Highways, it must be to the disadvantage of the owner of the farm.

MR. BECKETT: Not necessarily.

MR. WHICHER: In many instances it might be. I would like to hear some remarks on that.

HON. MR. ALLAN: Mr. Chairman, I believe that was covered before. Very often it is done for the benefit of the owner of the land, that is, if a highway goes directly through a farm the owner may not want to be left—especially if it is a controlled access highway—with half of his farm on one side and half on the other. In such a case, as a service to him, we then purchase the whole farm,

which enables him to go and establish himself somewhere else.

The sections on each side of the highway then are assembled and sold as a unit. The whole proceeding is as much to the advantage of the owner as it is to the department.

MR. S. L. HALL (Halton): In support of what the hon. Minister of Highways says, I know that on highway No. 401 there were several instances of the highway cutting a farm in two, and the department bought the whole farm at least two years ago, and the owner has established himself somewhere else and is perfectly satisfied with the deal.

Sections 7 to 10, inclusive, agreed to.

On section 11:

MR. WHICHER: Mr. Chairman, I appreciate that this is exactly the same, but I would like the hon. Minister to make a few comments. It says here that the hon. Minister "shall make compensation to the owner of land for any damage"; now there is such a thing as privacy, and while I appreciate that The Department of Highways has hundreds of miles of roads across the province, there are instances where, when they go into these places, intangible damage to privacy is the result and so on, which I think should be given some consideration.

HON. MR. ALLAN: Mr. Chairman, I am sure the hon. member knows that there is no compensation for sentiment. If we were to consider such, I am afraid we would never get highways built. We try to be as considerate as is possible, and are very considerate of that very thing.

MR. HALL: Again, Mr. Chairman, may I say that in the case of highway No. 401, as it runs across the township of Trafalgar, they are running the line fence between lots 14 and 15, and those owners who still hold their frontage on the base line have not been paid quite

as much compensation as have those farmers who have had their frontage cut off on the south side of the road. Call it compensation or whatever one likes, the farmers are certainly all satisfied with what they received, which was a little higher price for their property than did those who are left with their frontage.

Sections 11 to 31, inclusive, agreed to.

On section 32:

MR. WHICHER: Mr. Chairman, on subsection 3 of section 32:

No action shall be brought against the Crown for the recovery of damages caused by the presence or absence or insufficiency of any wall, fence, guard rail —

and so forth. What is that? Does the hon. Minister of Highways feel that it is fair? If there is negligence by the department, why should there be no action taken?

HON. MR. ALLAN: Mr. Chairman, I think it has always been recognized that, although guard rails are built in some instances, they are built as a guide rather than as an absolute protection. That has been the practice.

Sections 32 to 40, inclusive, agreed to.

On section 41:

MR. T. D. THOMAS: Mr. Chairman, on section 41:

Where a county road system is established under this part, the county council shall appoint by by-law 3 or 5 persons who are residents of the county, but who are not members of the council.

Why should that be, Mr. Chairman?

HON. MEMBERS: "Need not be members."

HON. MR. ALLAN: It does not say that they are not members, it says that they need not be members. That is practiced in some counties where a county road committee is continued after a reeve may be out of office. I understand it is not general at all.

MR. T. D. THOMAS: Is this the practice in some counties now?

HON. MR. ALLAN: Yes.

Sections 41 to 49, inclusive, agreed to.

On section 50:

MR. T. D. THOMAS: Mr. Chairman, regarding section 50, on page 28, "the county may pass a by-law handing over bridges of 20 feet or less to the local councils," why should that be?

I think the county council is in a much better position to assume the cost of the maintenance of the bridges than is the local township. Why should that provision be in there? It would mean that the county councils may hand over every bridge of 20 feet to the township, which is in a much worse position to maintain or even to build another structure than the county council, because of its larger assessment.

HON. MR. ALLAN: May I point out that this is complementary to the provision in The Municipal Act. It will be noticed that it applies to bridges that are not included in the county road system, and it gives to the counties the authority to deal with bridges as they see fit.

Sections 50 to 106, inclusive, agreed to.

Form 1 agreed to.

MR. WHICHER: Mr. Chairman, if I may revert to section 1 on page 8, I notice in the old Act it said:

its full width across the highway so intersected, including the bridges and culverts thereon.

In the new Act the words "bridges and culverts" are omitted. Why is that?

HON. MR. ALLAN: Mr. Chairman, I believe if hon. members will go to the interpretation sections, that "bridges" is defined as a culvert, and that is the reason for the change. Actually, it is not a change at all.

MR. T. D. THOMAS: Mr. Chairman, if I may go back to page 45, subsection 2 of section 73, which got by me at the time, it will be noted that in reference to the amount of grants to townships for bridges it says:

Upon the receipt of the statement, declarations and petitions, the Minister may direct payment to the township treasurer out of the moneys . . .

and so on, up to an amount of 50 per cent.

In the next subsection, No. 3, it gives a greater degree of latitude to the hon. Minister on grounds in regard to the economic condition of the township, he has the prerogative of granting up to 100 per cent.

I do not think that is a very wise section.

HON. MR. ALLAN: Where did the hon. member get that?

MR. T. D. THOMAS: Page 45.

HON. MR. ALLAN: But where did the hon. member get the 50 per cent. for bridges?

MR. T. D. THOMAS: 50 per cent. of road improvements, and then in the next section, subsection 3, under (a), the hon. Minister is allowed to grant up to 100 per cent.

AN HON. MEMBER: "In the case of a bridge or culvert."

MR. BECKETT: 80 per cent., in (b).

Bill No. 69 reported.

THE MUNICIPAL SUBSIDIES ADJUSTMENT ACT

House in committee on Bill No. 134,
An Act to amend The Municipal Subsidies Adjustment Act, 1953.

Sections 1 to 3, inclusive, agreed to.
Bill No. 134 reported.

THE LAW SOCIETY ACT

House in committee on Bill No. 95,
An Act to amend The Law Society Act.

Sections 1 and 2 agreed to.
Bill No. 95 reported.

THE SUMMARY CONVICTIONS ACT

House in committee on Bill No. 96,
An Act to amend The Summary Convictions Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 96 reported.

THE ADMINISTRATION OF JUSTICE EXPENSES ACT

House in committee on Bill No. 122,
An Act to amend The Administration of Justice Expenses Act.

Sections 1 to 10, inclusive, agreed to.
Schedule B agreed to.
Bill No. 122 reported.

THE CORONERS ACT

House in committee on Bill No. 123,
An Act to amend The Coroners Act.

Sections 1 to 6, inclusive, agreed to.
Schedules A to D agreed to.
Bill No. 123 reported.

THE CROWN WITNESSES ACT

House in committee on Bill No. 124,
An Act to amend The Crown Witnesses
Act.

Sections 1 to 5, inclusive, agreed to.

Bill No. 124 reported.

THE CROWN ATTORNEYS ACT

House in committee on Bill No. 125,
An Act to amend The Crown Attorneys
Act.

Sections 1 to 6, inclusive, agreed to.

Bill No. 125 reported.

THE HOMES FOR THE AGED
ACT

House in committee on Bill No. 89,
An Act to amend The Homes for the
Aged Act, 1955.

Sections 1 to 8, inclusive, agreed to.

Bill No. 89 reported.

THE MUNICIPAL ACT

House in committee on Bill No. 101,
An Act to amend The Municipal Act.

HON. W. K. WARRENDER (Min-
ister of Municipal Affairs): Mr. Chair-
man, I move that clause A of subsection
1 of section 308 of The Municipal Act,
as re-enacted by section 308 of Bill No.
101, be amended, inserting after "assess-
ments" in the third line:

including the assessment for real
property that is rented and occupied
or used by the Crown in right of
Canada or any province or any board,
commission, corporation or other
agency thereof, or by any municipal
corporation or local board thereof,

and that clause (c) of subsection 1 of

the said section 308 be struck out and
the following substituted:

(c) the assessment for mineral
lands, railway lands and pipe lines
and the assessment of telephone and
telegraph companies.

May I explain that this is necessary
to make it clear that the assessment of
business properties that are rented and
occupied by the Crown, or any agency
of the Crown, or by any municipal cor-
poration or a local board thereof are
nevertheless taken into consideration
when determining the amounts to be
levied on business properties, and that
the assessment of pipe lines and tele-
phone and telegraph companies are ex-
cluded in the assessment for business
properties.

Section 1, as amended, agreed to.

Sections 2 to 4, inclusive, agreed to.

Bill No. 101 reported.

THE MUNICIPALITY OF
METROPOLITAN TORONTO ACT

House in committee on Bill No. 102,
An Act to amend The Municipality of
Metropolitan Toronto Act, 1953.

HON. MR. WARRENDER: I
move that subclause 1 of clause (a) of
subsection 1 of section 190a of The
Municipality of Metropolitan Toronto
Act, 1953, as enacted by section 2 of
Bill No. 102, be amended by inserting
after "assessment" in the third line:

including the assessment for real
property that is rented and occupied
or used by the Crown in right of
Canada or any province or any board,
commission, corporation or other
agency thereof, or by any municipal
or metropolitan corporation or local
board thereof;

that subclause 3 of clause (a) of sub-
section 1 of the said section 190a be

struck out and the following substituted therefor:

(iii) the assessment for mineral lands, railway lands and pipe lines and the assessment of telephone and telegraph companies;

and that subsections 1 and 3 of clause (a) of section 4 of the said section 190a be similarly amended.

I might say by way of explanation there, it is the same reasoning as behind the other amendments to The Municipal Act.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, may I ask the hon. Minister whether the effect of this is to add these additional properties into the business allotment, if you will, for determination of levy, or is the levy — when it is determined — collected against these properties as well?

HON. MR. WARRENDER: It is to make sure those we are adding there do not get the benefit of the unconditional grants.

MR. WHICHER: I probably should know the answer to this, but I would like to ask the hon. Minister why is it necessary to have a special grant here for metropolitan Toronto? Why is it not covered with the bill which deals with the rest of the province as far as business and residential property is concerned?

HON. MR. WARRENDER: It is a separate Act and, therefore, to be quite clear, instead of including it in The Municipal Act, we put it in the specific Act where it has the effect.

Section 2, as amended, agreed to.

Sections 3 and 4 agreed to.

Bill No. 102 reported.

THE PUBLIC VEHICLES ACT

House in committee on Bill No. 148, An Act to amend The Public Vehicles Act.

Sections 1 to 4, inclusive, agreed to.
Bill No. 148 reported.

THE PUBLIC COMMERCIAL VEHICLES ACT

House in committee on Bill No. 149, An Act to amend The Public Commercial Vehicles Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 149 reported.

THE HOUSING DEVELOPMENT ACT

House in committee on Bill No. 150, An Act to amend The Housing Development Act.

Sections 1 to 5, inclusive, agreed to.
Bill No. 150 reported.

THE CHANGE OF NAME ACT

House in committee on Bill No. 152, An Act to amend The Change of Name Act.

Sections 1 to 4, inclusive, agreed to.
Bill No. 152 reported.

THE SURROGATE COURTS ACT

House in committee on Bill No. 153, An Act to amend The Surrogate Courts Act.

Sections 1 to 6, inclusive, agreed to.
Bill No. 153 reported.

THE COUNTY JUDGES ACT

House in committee on Bill No. 154, An Act to amend The County Judges Act.

Sections 1 to 4, inclusive, agreed to.
Bill No. 154 reported.

GORDON WILLIAM INNES,
M.P.P.

House in committee on Bill No. 41,
An Act respecting Gordon William
Innes, M.P.P.

Sections 1 to 3, inclusive, agreed to.
Bill No. 41 reported.

THE STATUTE LABOUR ACT

House in committee on Bill No. 162,
An Act to amend The Statute Labour
Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 162 reported.

THE LEGISLATIVE ASSEMBLY
ACT

House in committee on Bill No. 163,
An Act to amend The Legislative
Assembly Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 163 reported.

HON. MR. FROST: Mr. Chairman,
I move the committee rise and report
certain bills with amendments and cer-
tain bills without amendments.

Motion agreed to; the House resumed,
Mr. Speaker in the chair.

MR. JANES: The committee of the
whole House begs to report certain bills
with amendments and certain bills
without amendments and asks leave to
sit again.

Motion agreed to.

TOWNSHIP OF FARADAY

Hon. C. Mapledoram moves second
reading of Bill No. 146, "An Act res-
pecting Part of the Westerly Boundary
of the Township of Faraday."

Motion agreed to; second reading of
the bill.

THE GAME AND FISHERIES ACT

Hon. Mr. Mapledoram moves second
reading of Bill No. 147, "An Act to
amend The Game and Fisheries Act."

HON. MR. FROST: Mr. Speaker,
these sections referable to The Game and
Fisheries Act, it would seem to me,
might be discussed in a committee of
the whole House.

Motion agreed to; second reading of
the bill.

THE MUNICIPAL ACT

Hon. W. K. Warrender moves sec-
ond reading of Bill No. 169, "An Act
to amend The Municipal Act."

Motion agreed to; second reading of
the bill.

THE ONTARIO MUNICIPAL
BOARD ACT

Hon. Mr. Warrender moves second
reading of Bill No. 170, "An Act to
amend The Ontario Municipal Board
Act."

Motion agreed to; second reading of
the bill.

THE BUDGET

MR. W. E. JOHNSTON (Carle-
ton): Mr. Speaker, in rising to speak
on the budget, may I say it is a real
pleasure to have the opportunity to say
how much you deserve the congratula-
tions and good wishes of hon. mem-
bers for the dignified and capable way
in which you have been presiding over
the House. In these days, when fashion
would seem to call for flouting any
resemblance to authority, it is refresh-
ing to find respect for authority is up-
held here.

As a comparatively new member of
this House I have made it a point to
listen to most of the speeches which

have been made this session. I must say that these are an important contribution to our understanding of the many problems facing us during this period of extraordinary expansion.

At this moment, Mr. Speaker, I would like to mention the hon. Provincial Treasurer (Mr. Porter) and to congratulate him on the able fashion in which he brought down his budget; and, in addition to that, the make-up of the whole budget is one of which, I am sure, this province will, in years ahead, be very proud.

In addition to that, I would also like to give a word of praise to all the hon. speakers who have preceded me in the debates, not only on the budget but on other subjects, and also to congratulate the hon. Ministers of the cabinet. Many subjects of vital importance to the people in this province have been dealt with.

I am now going to concern myself mostly with agriculture, but before going into agriculture I would like to say a few words with respect to my own riding and what has been taking place in regard to road-building programmes.

I am sure I need hardly say how happy I am, and also how happy the whole community surrounding the city of Ottawa was, when we learned, just a few days ago, that the final agreement had been signed between this government, the city of Ottawa, and the federal government, for the building of a Queensway, from the east side of my riding right through the city.

That is a great undertaking which, no doubt, will in the years ahead relieve the whole district of a complete tie-up of traffic which we have had, and would continue to have if it were not for this undertaking by the 3 parties concerned.

I mentioned in my speech a year ago that steps should be taken along that direction. We have now accomplished that end. I would like to congratulate those who took part in this move in promoting that great undertaking.

In addition to that, I would also like to mention the road building programme which we carried on under our county roads system with the great assistance of the Ontario government.

Last year in our county, we built almost 50 miles of permanent road; that is, a road where a proper base is put in and a proper surface put on. Naturally, in undertaking a programme such as this, we had to raise money by debentures, a procedure to which some of our people objected, but it is my belief that it is the only way to build roads today.

I take great pride in congratulating the members of our county council for undertaking such a programme. I know in the years ahead, they will continue to carry on a permanent road programme. It is the only type of road which will take care of the heavy traffic in this day and age, and which will continue to grow heavier.

Mr. Speaker, before launching into the main part of my speech, I would like to also mention the work done by The Ontario Department of Agriculture in connection with brucellosis.

As hon. members know, a year ago a bill went through the House which meant the Ontario government was paying for all testing of cattle in all counties for brucellosis. I can remember very well some 10 or 12 years ago, shortly after the 1945 election, there was set up throughout this province the agricultural county committees under this government, and under the hon. member for Peel (Mr. Kennedy), who was the former hon. Minister of Agriculture.

I can remember attending a meeting in the city of Guelph at the Ontario Agricultural College, and one of the things the hon. member for Peel said in his speech was this:

If the Ontario farmer would pay more attention to the breeding programme of cattle and the study of brucellosis, the future of this province would be unknown . . .

There was no saying what the future on the sale of purebred or commercial Holstein or Ayrshire cattle would be.

How true that is today. We have arrived at a place where we have almost accomplished that end as far as brucellosis is concerned, and I can say there is a great future ahead for those of us in the business of breeding dairy cattle, especially when we realize the consequences to our operation through the loss of our breeding stock from brucellosis.

There is one thing I would like to mention here, Mr. Speaker, and I hope that our department, in its research, will give more thought to it. I know they have already given a lot of thought to it, and I refer to that curse of the dairy herds, mastitis. That is something which has worked a great hardship on our dairy farmers and is still continuing to do so.

I am wondering if our Department of Agriculture, in its research work, would pay more attention in trying to find the real cause of mastitis. Perhaps they will come up with something which would control it to a far greater extent.

I am sure the Ontario veterinary association would be very glad and very keen to work with our department in trying to develop something along this line.

Since this session has started, we have listened to more speeches concerning the plight of agriculture than we did last year, which was my first term in this House. I believe everybody realizes the plight in which agriculture finds itself, but I am wondering if the great mass of people realize the background and the contribution that the farmer, in the first instance, made to not only agriculture but to the whole community.

In case some hon. members do not realize that, I have prepared a few notes, setting out as I see it, the position of the farmer and his contribution and the way he has worked and the way our ancestors worked years ago.

All wealth has its origin in the natural resources which nature has deposited on the earth. Human understanding and human energy are required to tap these resources and convert them into things useful to man.

Much of the wealth, so created, is consumed immediately; but some of it is saved for future use. Saved wealth can be accumulated and invested in tools and appliances for creating more wealth. Wealth, so invested, is called capital and those who accumulate and invest it are capitalists.

Man is a tool-using animal. It is his ability to devise tools and to use them that has lifted him above all other creatures, and has made him the lord of creation. The amount of wealth a man can create by the use of efficient tools and equipment is many times greater than he could create with only the tools which nature gave him.

But tools and equipment are capital. They are the product of labour which has been saved and converted into something of lasting value. They are capital and the man who puts his savings into them is a capitalist.

As such, he is a benefactor of the human race, for he creates more wealth than he consumes, and will leave the world richer than he found it.

Not every man is capable of saving, and not every one who saves is capable of investing his savings wisely, and managing his investments successfully. Those who can do these things are valuable citizens and are very necessary to the prosperity of us all.

The farmer is essentially a capitalist. He, more than most men, saves a portion of his income and invests it in his business, thus adding to the productive capacity of the country.

Necessity drives him to this. He knows that if he doesn't save seed from this year's crop, he will have no crop next year, that if he neglects to provide food, water and shelter for his livestock, he will soon have no livestock, and that if he fails to invest in efficient equipment

for doing his work, he will have little income in the years to follow. The constant demands of his farm compel him to save, to invest and to look after his investments.

The farmer who converts a tract of wild land into cultivated and productive fields doesn't get paid every Saturday night for his week's work. He works and waits years for the full reward of his toil; and in doing so he enriches the whole nation as well as builds up reserves of productive power against his own declining years.

Such a man is a true capitalist. He has little in common with the worker whose sole ambition is to draw the highest possible cash wages every pay day, spend them as he gets them, and expect the government and his employer to look after him in his old age.

There is a prejudice in the world today against capitalists. They are held up as evil minded, rapacious people who grind the faces of the poor, and rob the worker of the just reward of his toil. In some countries they are looked on as enemies of the people and put to death.

We haven't gone that far in Canada; but there is a disposition among us to look on the capitalists as legitimate prey for unscrupulous politicians and shortsighted labour unions, and as convenient scapegoats on which to load all the economic sins of all the people.

Attempts are being made to enlist the farmers among those who share this prejudice, and, unfortunately, some self-appointed farm leaders are allowing themselves to be used in support of these attempts. If the farmers are wise they will have nothing to do with these blind, would-be leaders of the blind. They will not forget that they themselves are capitalists.

I wanted to say that, because my approach to this whole subject is somewhat different to that of the average individual. I have mentioned in my early remarks what has been mentioned in this House so often—the plight that agriculture is in, and the question asked: “What are we going to do about it?”

During the past year, marketing legislation has been the target of a great deal of controversy, and it has been only in recent weeks that we knew where we stood, following the ruling handed down by the courts of the land.

There is no doubt in my mind as to the need for orderly marketing, and I am pleased that the hon. Minister of Agriculture (Mr. Goodfellow) has brought in certain amendments to existing legislation which will enable our commodity groups to negotiate and market their products without any fear of interference from the trade or consumer.

However, in a great many cases it will be necessary for the federal government to come through with similar legislation which will permit our producers to operate their schemes outside of our own province. With local area crops, this is not so important, but in the case of hogs it cannot be successful unless it is nationwide.

Here, Mr. Speaker, I would like to warn the producer groups of the great necessity for strengthening their member groups; this is most important because any group or any organization is only as strong as its weakest link. Having had a great deal of experience in this field myself, I repeat we as producers must be in a strong position if we are to meet the competition and the ever-growing opposition to some of our marketing operations.

As I will point out later in my talk, there is little more we can do from a provincial level, but I would like again to impress upon the hon. Minister of Agriculture, as I did last year, the great assistance the government was able to give the cheese producers by supplying bank credit for their marketing agency, which enabled them to buy up any cheese which on certain marketings would have been bought by the trade below the established and negotiated base price.

The speech from the Throne and the remarks of the hon. members in the course of debate reveal that we face a great many problems in this prov-

ince. Not the least is the deplorable situation affecting agriculture as a whole.

It has been said that there is an accelerating trend away from agriculture in some of our farming areas. I know that in my own constituency, a great number of farms are becoming non-productive because it has become impossible for certain farmers to make both ends meet. They cannot fight back against the increasing squeeze applied by rising costs of production, on the one hand, and fixed or dropping sales prices on the other. Generally speaking, too many of our farmers are now in the same category as the gold mining industry where ever-increasing costs of production in the presence of an inexorably fixed price for the yellow metal has resulted in the closing down of scores of gold mines. Only those gold producers with large reserves of high grade ore can now operate profitably.

The same trend is becoming more and more evident in farming, not only in this province but throughout the North American continent.

In Carleton county, I know of several cases where formerly prosperous farmers have been forced by the squeeze to resort to part-time work in business or industry. They reduced their herds, keeping just enough to supply their own requirements. The amount of farm work they do is limited to the chores they can accomplish during the few hours they are not working elsewhere at their full-time jobs.

To further substantiate this, a little less than a year ago, a report was presented to the Anglican synod of Ottawa by the rural community committee of the church. This committee had distributed questionnaires in 32 rural parishes, and here are some of the findings as compiled by the committee:

1. It was shown that in 1956 there were only half the families deriving their total income from farming that there were in 1930.

2. A large number of farmers are now compelled to supplement their income from other sources.

The report further showed that the main reasons given for leaving the farm were: old age, sickness, lack of help, sons not interested in farming, overhead too great for acreage, high cost of machinery and help, and, finally, higher income and better living conditions in other occupations.

Then, in another observation, the committee reported that besides the uncertainties of nature, the entire agricultural economy is based on a series of short-time price supports, subject to change from time to time, yet the farmer must constantly bear in mind the fact that his produce on the home market will be in direct competition with similar imported products.

And finally, I quote: "The most tragic paradox of our time is that farmers are going broke while the overall economy is booming."

Now, Mr. Speaker, these extracts from the Anglican report represents only a small segment of Ontario, and I believe that a similar effort conducted in other rural areas of the province would bring similarly revealing facts and conclusions.

Some of the hon. members who have spoken earlier this session have brought forth reports that substantiate the findings of the Anglican committee. In fact, agriculture is in a state of shock, and there is a grave danger that the condition will swiftly deteriorate unless immediate treatment is applied.

The question then arises: "What is the treatment?"

We have heard many recommendations from all quarters for government help. In my opinion, the province can do little more than we are presently doing, and I doubt very much that Ottawa can come out with any formula based on price supports that would substantially improve the general situation.

I admit that no country in the world is better equipped than Canada to pro-

duce food. Unfortunately, our population is too small to support our existing agricultural industry.

The oft-heard statement that Canada should do what has been done in the United States hardly stands up under scrutiny. After all, we must remember that the United States of America are a self-contained economy with a huge population capable of consuming an appreciable proportion of its farm products. Similar conditions do not exist here, and it is doubtful that we shall ever see their development before more years have passed than those encompassed by the report of the Royal commission on Canada's economic prospects.

Even in the United States, with their huge consumption of farm products, the federal government through its farm help measures now finds that it is the owner of \$8 billion worth of surplus food it cannot sell. It cannot dump this surplus in the markets of the world without making bad friends.

No, Mr. Speaker, price supports, or as was suggested by the hon. member for York South (Mr. MacDonald), forward pricing, is not the answer to the condition of shock from which this industry is suffering. They are palliatives, and, as such, could do little more than bring the patient out of the condition of shock without eradicating the primary cause of this condition.

I do agree with many of the points brought up by the member for York South, as I do with some of the comments of the hon. Leader of the Opposition (Mr. Oliver), and other hon. members who have spoken on agriculture, but I am firmly convinced that other ways, which are open, and which unfortunately have not been tried on any but a modest scale, point to what I honestly believe to be the one and only possible solution to the question.

That solution, Mr. Speaker, is to be found in an honest and serious attempt on the part of farmers, industry and labour, to get together, examine the whole complex problem, and unselfishly and forthrightly bring forth the remedy.

Now this may bring smiles to some people. It may appear a naive and unrealistic approach to the problem. The fact, Mr. Speaker, that I did not suggest that any government or any employee of any government should meet with the farmers, labour and industry, could cause a great deal of doubt to arise in some quarters.

May I point out to the hon. members that this very idea was tried out on a very small scale in my own county with very encouraging results. At least the results of meetings and discussions held here and there between members of the Carleton federation of agriculture, and members of the board of trade of several communities in the area, including the city of Ottawa, prompted the tabling of resolutions at the annual convention of the Ontario federation in early 1949.

What is more important, the resolutions which called for a series of conferences between the federation of agriculture nationally, provincially, and locally, with industry, labour and the professions, these resolutions, I say, received the unanimous approval of the convention.

I will admit right now that, following these presentations, little happened, and for a very good reason, we didn't have men heading up our different groups who had the courage to face up to the facts.

The combination of childishness, egotism and immaturity on the part of a good many men in the 3 above-mentioned walks of life have more than once in the past threatened the very existence of this country, and I would say that unless we all become a little more mature, a little more charitable and broad-minded, there is no saying what will happen to agriculture and indeed to our whole economy.

But to come back to this resolution which called for farmer, labour, industry and the professions to meet together, I must explain that there were powerful reasons for its introduction at the convention. The Carleton county

delegation had made a profound study of the position of a static agricultural industry in the presence of spiralling urban wages and pyramiding prices of the products of other industries. The members of the delegation felt that no good would result from government aid to agriculture: in fact, they were convinced that it would only accentuate inflation.

The crux of the farm problem, as they saw it, was the wide disparity between the trading position of agriculture selling all its products at the competitive world price and that of industry and labour protected as to its domestic price and wage contracts by tariffs and labour legislation.

May I again emphasize that all this happened in 1949. The fears that were expressed then of the "things to come" have certainly been borne out since.

Mr. Speaker, I am mindful that because the situation is grave and the problem is a complex one, even if the best brains of men of good-will, representing all these different groups, got together at the conference table, the answer would not be forthcoming in a matter of a few months. I know it would take years.

The reason why I bring this up is because I am more than ever convinced that if we all try to work out our problems as civilized men, animated by a spirit of give a little more and take a little less, and if we do this without calling on the government to protect us every time we stub a toe, then I say we have a good chance to keep on enjoying the privilege of living in a free country.

It being 6.00 of the clock, the House took recess.

ERRATUM

(March 20, 1957)

<i>Page</i>	<i>Column</i>	<i>Line</i>	<i>Correction</i>
1383	2	34	Change to read: "House in committee on Bill No. 74,"



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, March 27, 1957
Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Wednesday, March 27, 1957

Resumption of the debate on the budget, Mr. Daley	1661
Resolution to appoint select committee to examine The Labour Relations Act, Mr. Frost, agreed to	1672
Labour Relations Act, bill to amend, Mr. MacDonald, second reading	1676
Gasoline Tax Act, bill to amend, reported	1682
Corporations Tax Act, 1957, bill intituled, reported	1686
Motor Vehicle Fuel Tax Act, 1956, bill to amend, reported	1688
Income Tax Rental Agreement, bill to authorize, reported	1690
Logging Tax Act, bill to amend, reported	1691
Financial Administration Act, 1954, bill to amend, reported	1693
Mining Tax Act, bill to amend, reported	1694
Mining Act, two bills to amend, reported	1694
Motion to adjourn, Mr. Frost, agreed to	1695

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

WEDNESDAY, MARCH 27, 1957

8 O'CLOCK P.M.

The House resumed.

THE BUDGET

HON. C. DALEY (Minister of Labour): Mr. Speaker, I am pleased to have been given an opportunity to say a few words in this budget address. I am not going to spend a great deal of time actually on the budget, other than to say that in my years of experience here, budgets have been very carefully prepared, and I must say that this year, as in former years, the budget address has been very well given. I compliment the hon. Provincial Treasurer (Mr. Porter) on the way in which he presented it.

Very capable people financially on all sides of the House have discussed the actual pros and cons of the budget in a very fine manner, and I do not intend to spend too much time on it. I know in the preparing of the budget that each department sets its own estimates—those estimates which are considered to be necessary to operate the department and to do the things that it is deemed advisable to do; then those estimates are presented to the hon. Provincial Treasurer and his committee and, if approved, they then form part of the budget.

It has always been my experience that each year, as the estimates come up, they have been very carefully screened and sometimes some money taken away from a department, and I presume that it is the way the hon. Provincial Treasurer

keeps the budget within the necessary bounds that particular year.

Then they must determine how they are going to raise the money. Whether or not they are right in every instance as to how the money should be raised, they have to make the decisions, and I think this year one could say it is a very good budget, very well prepared, and that it will meet the requirements of the province for this year.

We hear from time to time in the House a great deal of discussion about the civil service. I am not going to say very much about it, but it has been my privilege to deal with members of the civil service for some 14 years now, and I can say that my association with all my own people and all those from other departments whom I have had the privilege of meeting has been most pleasant.

I have often thought that the name "servant" in civil service was not a proper name for people; because they work for a government, they are called servants. It would seem to me that there should be a better description for this type of people who work in the civil service.

In my time, which as I have said is 14 years, there have been a great many improvements in dealing with the civil service. Certainly there has been continuity of employment established, based on the qualifications of the individual rather than on any political allegiance. There has been over the years a realistic approach as to wages and working conditions. There has been a recognition of the civil service association as the bargaining agent for the civil service and,

in co-operation with the civil service, a gradual reduction of hours leading to a 40-hour week.

It was established some time ago, that the government, in co-operation with the civil service, would work toward a 40-hour week as quickly as it was considered possible.

To meet delays in finalizing suggestions and grievances of the civil service, a committee of hon. Ministers has been established, and employees of separate boards such as the liquor control board and the Niagara parks commission have been made eligible to become civil servants—in fact, the civil service under this government has received a more realistic and sympathetic approach to their problems than at any time in its history.

My address tonight is going to be sort of a "tidying up"; it will contain some information, I hope, and a couple of answers to questions that have been raised in the House.

One of these was raised by the hon. member for York South (Mr. MacDonald) regarding Mr. Jack Allen being penalized only for a year for bookmaking, and another group being indefinitely suspended.

The information I received on that subject was that this promoter in Sudbury was convicted twice and sent to jail a second time for using his boxing club as a gambling den. Sudbury police files will confirm this. He was suspended indefinitely.

Now, Mr. Allen was suspended for a year, but since that time he has not operated the boxing bouts at the Palace Pier. These bouts are now promoted and matched by Thomas McBeigh.

MR. D. C. MacDONALD (York South): Does not Mr. Allen have the contract with the Canadian Broadcasting Corporation?

HON. MR. DALEY: I do not know about the Canadian Broadcasting Corporation.

MR. MacDONALD: Well, that is the crux of the issue.

HON. MR. DALEY: That is not part of our supervisory efforts.

MR. MacDONALD: May I ask a question? Is he not supposed to put in an account at the end of each bout as to the receipts, and is not one of these receipts \$1,000 a week from the Canadian Broadcasting Corporation, and is that accounting being made?

HON. MR. DALEY: I am telling hon. members what I have here, which is authentic, that for the past 3 and one-half years, since this infraction, the Palace Pier bouts have been promoted and matched by Mr. Thomas McBeigh.

MR. MacDONALD: The Canadian Broadcasting Corporation contract is still with Mr. Allen, and he is getting \$1,000 a week from the Canadian Broadcasting Corporation, and it is not being reported.

HON. MR. DALEY: If people are able to go and do business with such an organization as the Canadian Broadcasting Corporation, that is not my business.

MR. MacDONALD: But that is in conjunction with televising the Palace Pier shows.

HON. MR. DALEY: There was another question, Mr. Speaker, raised about a man named Jiminez—that he was to be paid only if he won the fight, and when he lost he was to get nothing. There was nothing in that story at all. Mr. Jiminez received \$400 for his first fight and \$850 for his second.

Unfortunately this young man was evidently not cut out for this rough, tough game of boxing. He cut very badly every time he fought, and our doctor just did not want him fighting here, so he did not get any more matches. It seems that some fellows cut easier on receiving a punch than do others, and

this man was in bad shape each time, not seriously hurt but simply cut up.

However, Mr. Jiminez's manager has been paying him \$60 a week ever since. I do not know whether he is continuing that amount, but he did pay him \$60 a week for a long time.

MR. MacDONALD: Would the hon. Minister permit another question?

HON. MR. DALEY: Yes.

MR. MacDONALD: Is this Mr. Allen's first conviction, or have there been more than one?

HON. MR. DALEY: The hon. member is going back to the other question?

MR. MacDONALD: Yes, I am not interested in Mr. Jiminez, that question was raised by some other hon. member. But is this Mr. Allen's first conviction, or has there been another one?

HON. MR. DALEY: As a book-maker, or what?

MR. MacDONALD: Yes.

HON. MR. DALEY: I do not keep the records.

MR. MacDONALD: It seems to me this is rather relevant information—if he is getting \$1,000 a week from the Canadian Broadcasting Corporation as part of his weekly televising of the Palace Pier shows, and if this is his first, second or third conviction, I do not know, I am asking. I think the hon. Minister might find, if he would investigate, that this is not his first conviction.

MR. A. J. REAUME (Essex North): He is quitting.

MR. MacDONALD: No, he is not, he is making only \$1,000 a week.

HON. MR. DALEY: Another question was asked by the hon. member for Bruce (Mr. Whicher), I believe, as to how many sports organizations had received equipment. From April 1, 1955,

to March 31, 1956, some 260 organizations were so supplied, and from April 1, 1956, to March 14, 1957, there were 320. So we have supplied equipment for midgets and the "little fellows" to the extent of 320 organizations this year.

May I move on to another topic that I think should be informative, and that has to do with workmen's compensation. This is the new hospital and rehabilitation centre.

In April, 1956, the sod was turned for the board's new hospital and rehabilitation centre on the west side of highway No. 400 just north of highway No. 401.

Of functional contemporary design by Page and Steele and Thomas R. Wiley, its facilities will embody all the advanced physical knowledge gained by the board's treatment staff during 24 years of treating injured workmen and seeing that they are returned to work. Buildings will accommodate 500 patients, with 325 clinic dormitories and 175 in the hospital section. The new centre will replace the board's present one at Malton, housed in temporary type wartime buildings which have far outlived their life expectancy of 10 years.

Only the most seriously injured workmen are treated at the centre for the workmen's compensation board. It encourages treatment locally if adequate facilities are available.

Anglin-Norcross Ontario Limited was awarded the \$5,530,000 contract for this 14-building project. Complete cost for building, land and equipment will be approximately \$6 million. Foundations and ground work were completed some time ago. The superstructure of steel and brickwork is still under construction, and the board expects to move patients into the new centre by December 31, 1957.

For compensation purposes maximum earnings were increased from \$4,000 to \$5,000. This means that for accidents which occur on and after January 1, 1957, the maximum possible compensation payable is \$72.11 a week. Prior to this amendment, \$57.69 was the maxi-

imum weekly payment. The new maximum of \$72.11 a week for accidents occurring on and after January 1, 1957, is among the highest on the North American continent.

The protection and benefits of the Act were extended to employees of all retailers of goods throughout Ontario on a compulsory basis, effective January, 1957. An estimated 250,000 men and women, employed by more than 55,000 meat retailers now receive the same protection as people working in all other businesses under the Act.

This step means freedom from legal entanglement for retail employers, when work accidents occur, and the provision of liberal benefits for their employees. Retail employers will be charged 25 cents for every \$100 assessable payroll in 1957 and this revenue will only be used for payment of accident costs within the retail class. The rate is subject to change in future years in relation to the industry's accident cost.

During 1956, the board carried on an educational programme designed to acquaint retailers with the benefits provided by the Act and the ways in which it protects them from lawsuit in cases of compensable accidents.

I might say that when we were contemplating putting this measure into effect, we advised all retailers in this province; we sent out information and talked to groups, and we did have quite a number of objections; but once the regulations were put into effect, there were no more objections and I think the retailers of this province will, like other people who are accorded the protection of this Act, be most content with it.

In 1952, the board collected \$33,335,-744.23 to pay compensation, medical aid and other benefits provided by the Act, including a small portion for administration expenses. In 1957, about \$50 million will be required for the same purpose because of the growth of the industrial life of the province and the increased number of firms covered by the Act.

In 1952, there were 49,917 employers in schedule I under the Act employing an estimated 1,250,000 workmen. In

1957, there are an estimated 120,000 employers employing 1,750,000 men and women who are receiving compensation protection.

The board's personnel has, therefore, increased from 822 in January, 1952, to its present strength of 1,244.

In regard to medical aid claims respecting only cases not involving payment of compensation but requiring medical attention, the Act states that even cases involving no payment of compensation, but requiring medical attention, must be reported to the board.

In days gone by these cases were not reported by many employers and the present board has improved co-operation with the employers in reporting these medical aid cases. This results in a considerable increase in the number of incidents reported as work injuries and likely there will be 300,000 reported this year. But, of this amount only about 30 per cent. will be cases wherein compensation for wage loss will be paid.

Last October, the board opened the fifth district office, the Kitchener-Waterloo district office, to serve the counties of Waterloo, Wellington, Perth and Huron. The office is at 5 Scott Street, Kitchener, and serves more than 6,000 firms in these counties whose employees are protected by the Act.

Other district offices are located at Port Arthur, Ottawa, Cornwall and Windsor.

We adopted the policy some years ago of not making it necessary to bring men from all parts of this great province into Toronto, and have established these offices where they can have consultation and be looked after properly within a reasonable distance of their own homes.

The board realizes that to administer the Act efficiently and to speed benefits to the injured people, the groups which it serves must be informed as to the benefits of the Act, the responsibilities of each group and the board's method of operation. In years gone by, not too much was known about workmen's compensation.

However, today through public service and educational activities, more people

than ever before are aware of the purpose of The Workmen's Compensation Act and the function of the board. More and more citizens are becoming aware of the fact that Ontario has the world's best Workmen's Compensation Act.

During 1956, visitors from all over the world came to the board to study The Ontario Workmen's Compensation Act and review its administration. Besides the United States, visitors came from Iraq, New Zealand, Portugal, Thailand and an 8-man delegation from Italy, to see what is being done in Ontario under The Workmen's Compensation Act to compensate and rehabilitate injured men and women.

I think we can be proud of The Workmen's Compensation Act in this province. It administers the most humane care and is done more reasonably, and with greater benefits paid for the money paid in, than any other known Act of its kind.

Earlier in this session, I spoke briefly about the influx of outside capital from other countries, particularly from the United States. I said at that time I hoped the criticism of this capital coming into our country would not have a tendency to dry up this money. In my own opinion, if this country is to fulfil its destiny as one of the great nations of the world, we cannot expect our comparatively small population to be capable of financing its development.

I have received quite a few letters congratulating my taking that attitude. I have also received one very bitter letter from a man in the province who advised me he was building a \$1 million plant in the province, and this question occurred to me, after reading this letter: If this province had not been developed the way it had—if industry had not come in here, no matter from where—would this country have been in a position to make it profitable for him to build a \$1 million plant?

I imagine without the outside assistance which we have had, not only as to money but the skill which has come with these people in establishing their industries here, that he would prob-

ably have been in the same old plant or perhaps building a \$10,000 one instead.

Because of the interest which seemed to be taken in my remarks at that time and because I have knowledge in my own riding of certain industries which have come in there over the years from the United States, I asked a couple of them to give me some basic facts about their particular industries.

I remember many years ago the Yale and Towne people coming into St. Catharines; they built a factory and a great many homes to house their workers, and have gone along throughout the years establishing themselves in this country. Their plant is operated entirely by Canadians who are taking their part in community efforts and no doubt paying their way and developing, to a great extent, the city of St. Catharines.

I asked another firm if they would be willing to give me some facts about their industry and I am speaking of the Thompson Products Limited. I mention these particular firms, because I have been a resident in St. Catharines for a long time. I knew these places, and have watched them grow.

Thompson Products Limited is getting to be quite a famous firm, because it sponsors the now famous TeePee hockey club, and I see it won again last night. They beat Guelph and are on their way to take the championship again this year, much to the disappointment of the Marlboros here, who thought they had it in the bag until our boys got rolling. While I would not be adverse to seeing Guelph take it, it does not look to me like it is Guelph's year—probably next year.

I will get back to the Thompson Products Corporation report:

The corporation was formed in 1929, but operations did not begin until 1932, and then on a very small scale. I am sorry to say that we were losing money from 1929 to 1937. At that time, we decided to increase manufacturing facilities in automotive manufacturing and mining division, and started the aircraft division. I am

happy to tell you that we have not been in the red since that time. By 1939 we were able to pay back the accumulated deficits to the parent company.

During the war years, we were employing approximately 1,500 people. We formed a separate corporation, Thompson Ordnance Products, Limited, to handle war contracts, with a maximum allowable profit of \$5,000 per year.

It might be interesting to note that the day war was declared, the writer sent a telegram to the hon. Minister of National Defence offering the entire manufacturing facilities and personnel for Canada's war effort. I would say that for 4 years 90 per cent. of our manufacturing efforts were for defence purposes. Some of our larger production items were armour piercing shells, from 57 to 99 mm. in size. We produced as high as 25,000 per day.

I might tell you that we received a very commendable letter on the results of our products from the commanding officer at El Alamein. Of course, a large portion of shells and fuse forgings were funnelled to the United States Army, because we were in production long before United States ordnance could get requirements from United States companies.

During the post-war period, our average employment in St. Catharines has been around 1,000 people. We are currently at about the 1,200 mark, and expect to go up to 1,500 within the next year. Approximately 50 per cent. of our business is now exported, primarily to other western hemisphere countries.

Payrolls are currently at the \$400,000 per month level. One very satisfactory feature of our operations is the fact that we have never lost one hour of production due to labour difficulties. I think this is a real tribute to the people in the Thompson family, all of whom, excepting the writer, are Canadians, although I will have been here 20 years this summer.

The people in the company have a sincere interest in community, church, and country affairs. I can safely say that among the management group there are, and have been, active representatives on every church board in the community, the Knights of Columbus, Masons, and every service club I can think of.

Incidentally, on my left is the past president of the young Liberals of the county, and across the street in the other building is the past president of the young Conservatives, both still very active.

We also have people on hospital boards, namely, the General Hospital, the Hotel Dieu, and the sanatorium, and have been actively interested both personally and financially, and corporate-wise, in the building and expansion of these institutions, as well as the Community Chest, the Canadian Legion, Ridley College, Stratford Permanent Theatre, the Navy League, Boy Scouts, and other activities too numerous to mention.

In addition to the personal and corporate charities, the company entered into an agreement with the Thompson Products Old Guard Association in 1940, whereby the company pays one per cent. per month of the hourly payroll to the old guard association for charitable purposes, to help needy Thompson employees, and any other charities in the community. As you can see, over the years, this amounts to a quite considerable sum of money.

We are currently offering up to 18 university scholarships per year, and the corporation has pledged a minimum of 12 per cent. to community charitable contributions.

Dividends paid prior to World War II and during the war period were nil. Subsequently, we have paid only \$1 million in dividends, while our Dominion income tax has been running between \$500,000 and \$1,200,000 per year. The balance of the profits has been plowed back into building a bigger and better company.

If hon. members had seen the plant as I saw it years ago and then as it is today they would appreciate the fact that it is one of the finest and most modern plants they would wish to see, with the workers being, apparently, satisfactorily paid and working under good conditions.

Then I thought I would ask another type of industry — the paper industry — for a report. A new tax on this industry has been before this Legislature and there has been discussion as to what these people are doing.

A great deal of comment has been heard in both the federal and provincial Houses of Parliament concerning the role of foreign investment in Canada and particularly the role of United States subsidiaries in Canada. Canadians will never tire, so long as we are Canadians, of considering the influence of the United States on our economic, political and social structure.

There will always be differences of opinion concerning the good and bad effects of these influences. Since these comparisons are being made and will continue to be made it is important that we make these comments on the basis of sober reflection, not emotional appeal—that we deal in specific facts with numerous examples—not isolated events or vague opinions.

From the Dominion bureau of statistics reports and comments in the financial press, it is known that \$1 out of every \$3 invested in Canada's development last year came from outside investors, and that the total United States share was slightly over \$11.5 billion.

Even the most casual observer has noted that our ties with the American economy have become close and more important during the past 10 years—that 60 per cent. of our commodity exports go to the United States, our best customer, as compared to 40 per cent. pre-war.

There has been no alternative world market that could financially absorb, or by geographic location is close enough to absorb, the growing output of goods

and services provided by the Canadian economy in recent years.

These criticisms damage our relationships with those many businesses and industrial leaders who have come to Canada and who have consistently endeavoured to do a good job in Canada for Canadians—men and companies who have been among the leading promoters of Canadian growth for many years.

Even the briefest study of the impact of the discovery of oil in western Canada, or of the pulp and paper industry in Ontario and Quebec, demolishes the popular fallacy that these basic industries do little to encourage the growth of population and secondary industry.

It is no coincidence that the provinces, including Ontario, which have the greatest amount of basic resource development, and who are large drawers on American capital and knowledge for their development, are also the provinces with the fastest-growing populations.

If there is any doubt about the value of the contribution of these Canadian companies financed by United States capital and spurred to greater achievement by United States research and technology, let hon. members look at the people and the companies they know personally in this category.

Ask those in the government and civil service, ask those Canadian industrialists and the various Canadian trade associations. Whenever one of these companies, or their executives, approach the government with a request to co-operate with other American companies in a matter of common concern, do they not act the same way as Canadians? Do they not put forth the same arguments as Canadians? Do they not, after even a short period of operation in Canada, think and talk as Canadians? They are Canadian companies, no matter where the investment originated.

The Ontario Paper Company first came to Canada in 1912 and in September, 1913, began making newsprint. An early communication between the company and the Ontario Crown lands de-

partment of the Ontario government stated the company proposed to build "a 100-ton to 110-ton paper mill, which will represent an investment of about \$1 million and give continuous employment for 150 to 180 men, with an annual payroll of \$100,000." In 1914, the mill turned out close to 32,000 tons of newsprint.

Over the years production has steadily increased. In 1956, the Thorold mill produced 195,000 tons of newsprint; 22,000 tons of pulp; 660,000 pounds of vanillin and 850,000 gallons of alcohol. During the year, they operated a fleet of 11 ships.

The company has grown in its 45 years of operation not only in Ontario but in Quebec, where it has added the modern newsprint mill of the Quebec North Shore Paper Company, the hydro-electric power development of the Manicouagan Power Company as well as the establishment of the Quebec and Ontario Transportation Company which operates the fleet of ships.

Currently the company employs in Canada over 7,300 people and pays annual salaries of \$22 million.

Since the inception of the Canadian company in 1912, of the total profits earned by all their Canadian enterprises 75 per cent. has been retained in Canada and invested in expansion of the Canadian business employing Canadian citizens to manufacture a product exported to the United States. This company, over the years has added to the industrial community of Canada an investment well in excess of \$100 million.

Looking specifically at some of this company's achievements as a corporate citizen of Canada, it holds in Ontario, timber limits representing 2,600 net productive square miles. These limits provide pulpwood for the Thorold mill. Besides meeting the regular standards set by The Department of Lands and Forests of Ontario, the Ontario Paper Company on its own and also in co-operation with others in government, industry and the University of Toronto is carrying out basic applied research

for the improvement of forest resources in Ontario.

The following press comments appeared recently following a visit by various press representatives to the company's operations on Manitoulin Island:

... the members of the Ontario Forest Industries Association are doing a lot more than assisting nature to replenish our forests. Typical of more concerted effort in this direction is the Ontario Paper Company tree farm on Manitoulin Island.

Here on a 125-mile tract at the west end of the island, Ontario Paper carried on a fully-integrated forest operation. As much, or more, emphasis is placed on growing and development of trees as is put on harvesting for the pulp crop.

That is from the *Toronto Telegram* of March 9th.

I mention these things because we had quite a discussion here the other day to the effect that we try to rebuild our forests there, to keep them producing as they have in the past; in other words, make an annual crop of our forests.

Then, in the *North Bay Nugget*:

Ontario's forest industry is effectively and conscientiously attempting to put back into our bushlands as much as it is taking out. We are convinced this is true after taking part this week in a 3-day tour of some of the forest operations in northern Ontario.

The inspection trip, sponsored by the Ontario Forest Industries Association, did not try to hide anything from the newspaper men. On the contrary, the officials of the association and the operators of the various camps, mills and cutting areas which were visited showed they were more than anxious to expose their work to the newsmen's prying eyes and questions.

As long as the industry takes this approach... the people of this province can be confident that the development and preservation of this great natural resource is in good hands.

On the company's Heron Bay limits a co-operative research project named RC-17 is aimed at obtaining practical information in forest regeneration which will result in the regeneration of spruce in certain areas thus improving the quality of the next forest crop in the province. In addition, the Ontario Paper Company has at Thorold an active research department under Dr. Sankey, whose work in the development of a process to produce vanillin from paper mill waste products is well known.

Ontario Paper Company, during World War II, undertook to produce much needed alcohol, to assist in the war effort, from waste sulphite liquor. The company established their vanillin plant to make further use of waste materials. This pioneering effort based on a practical and extensive research programme has added to the list of valuable exports being made from wood products in Ontario.

The president has been chairman of the board of directors of the St. Catharines hospital, and he has always taken an active part in anything of a community interest. The company has always been very generous in contributing to anything worthwhile. The executives and employees of the company are active in every phase of community living.

The company also has a very well-equipped medical centre. It is paid for and operated by the company. Throughout its history the company has been a leader in the field of employee welfare—in providing pension plans, life and sickness insurance plans and other employee benefits. It also does a great deal to be sure that older employees are provided for and are placed in jobs they can do rather than being laid off.

Efforts have been made to provide steadier employment the year round, to help offset the seasonal peaks and valleys that were at one time a characteristic of woods operations.

From this summary it is apparent here is one company, a subsidiary of an American company, which, over 45 years as a corporate citizen of Canada, has

provided steady employment to many Canadians, has used its profits to enlarge its Canadian operations and provide more jobs for more people and more income to Canada; has been a strong supporter and active leader in the community and has done a really good job in carrying out its job.

There is just one other interesting thing in connection with this company. The Ontario Paper Company, and its subsidiaries, have paid, over the past 5 years, an average of over \$500 million per annum in taxes to municipal, provincial and federal governments. They exported newsprint to a value of more than \$616 million to the United States in 1956, and added substantially to Canada's balance of international payments' position. And in recent years, it has brought in in the neighbourhood of \$56 million annually in terms of newsprint exports to the United States.

Their total years of employment: 430 members of the Ontario Paper Company's quarter-century club have a continued service record of 13,698 years. I have been to some of these quarter-century dinners, and 430 men have been continually employed by the company for 25 years; and of these 430, 283 completed 30 years; 137, 35 years; and 17, 40 years. The reason this is mentioned, is, that it proves the company must have been operated in a satisfactory manner to have employed that great number of men for that length of time.

I just mention these two cases to substantiate what I said before. Is it wise to have this continual criticism of money coming in from other countries, not only from the United States but from any country? After all, that is what we are going to have need for—great assistance in the development of our country and our economy.

I have one other item I would like to present to the hon. members. The other day we passed around the books of the Niagara parks commission called *Behind the Scenes*, and I would like to give a little information about the Niagara parks. The first commission

was set up in 1885 by the Ontario government to acquire certain lands in the immediate Falls area.

In 1887 an Act was passed to establish the Queen Victoria Niagara Falls Park Commission to develop and operate the parks.

It was thought at that time that it might be financed by tolls at the Mowat gate, but the revenue from this was minor and furthermore there was evasion and objection to paying tolls, and very early this method was abandoned. An attempt was made to secure revenue by leasing photographic and other concessions at Table Rock House.

Around the turn of the century agreements were made with the early power companies for water rentals, based on developed horse power. From that time until the present day, the revenue from water rentals has been the main source. In addition to this, there is the revenue from certain privileges and tolls, the Niagara Spanish aerocar, Niagara concessions, *Maid of the Mist* steamboat company, and the high power viewing machines, totalling approximately \$60,000 annually.

It is almost unbelievable. We have 6 of these high-powered viewing machines through which the Falls are more clearly viewed.

We have taken in as much as \$25,000 a year from these machines at 10 cents apiece. If these machines were not there, not one in 10 would stop to view the Falls.

There is also a net revenue from the operation of the commission's stores, restaurants, etc., of close to \$500,000. These enable the commission to adequately maintain the parks and make necessary capital expenditures for major and minor improvements to facilities and grounds. It also enabled the commission over the past decade to pay off a funded debt of about \$3.5 million. This debt was entirely retired last December.

The commission was very proud that in the short period of about 10 years,

we have been able to improve the Falls—make all the improvements—and enlarge the big restaurants, from which we increase our revenue, put in new greenhouses and build the Princess Elizabeth building, maintain the park in excellent shape, and in addition, because of these facilities, we have paid off \$3.5 million debt, so the park is now entirely free and the Ontario government has never paid one cent towards its upkeep.

A feature connected with the administration of Niagara park, which is unique compared with other park systems, is the substantial merchandising and commercial operations which are conducted by the parks commission with the exception of the 3 scenic attractions noted above, namely, the *Maid of the Mist*, Niagara concessions and the aerocar, including the scenic tunnels under Horseshoe Falls.

These operations consist of having a man in each place reporting to a supervisor of what we call the service department. While these operations are large and profitable, it must not be construed that they are in any sense the main interest of the commission. As a matter of fact, this phase of park operation is curtailed. It would be very easy for the commission to substantially expand these operations with a resulting increase in net profit over-all, but the commission keeps its mind on the main objectives and policy which is one of beautification and general improvement of the park from Lake Erie to Lake Ontario.

We are very careful not to get into competition with merchants who live in the area, and we never attempt to cut prices, as a matter of fact, our prices are usually higher than any other place in the area because we do not want to interfere with the private operators. These visitors who come from all over the world expect to have services and we supply them.

The original holdings of the commission consisted of a mere 200 acres in the immediate area of the Falls, that is now called Queen Victoria park. These holdings did include the land under water in this area to the international boundary which gave the commission the right to

deal with the power companies with regard to leasing of water rights.

Early in the commission's history, the chain reserve from lake to lake, about 35 miles, was granted to the commission, giving it all of the water frontage. This narrow ribbon of park land has through the years been added to, and in certain areas—Niagara-on-the-Lake, Queenston Heights, the Whirlpool and the town of Fort Erie—substantial individual acreages were acquired, giving a total of about 3,300 acres. Navy Island, about 300 acres, is also a part of the commission's properties.

The commission's association with the power companies is based on formal agreements giving the power companies certain rights in consideration of payments of water rentals. This water rental is now based generally on \$1.25 per developed electrical horse power, sold or disposed of for commercial use.

One of these power companies, the Canadian Niagara Power Company, is privately owned. It was the first plant built on the river. It was followed by the Electrical Development Limited, now Hydro, the Ontario Power plant, and, later, by the two plants built by Hydro at Queenston, the Sir Adam Beck generating stations Nos. 1 and 2.

The main projects over the past decade have been: the new scenic tunnels at Table Rock—these were reconstructed in 1946; park greenhouses, 14,000 square feet of glass, constructed in 1946; re-modelling of the dining and kitchen facilities of Niagara parks golf course at Niagara Glen; the new work yards; the Princess Elizabeth building. All these things have been paid for in cash from current earnings. In addition, the policy has been to improve and to modernize existing buildings and facilities designed to serve the travelling public.

The illumination of Niagara Falls is carried on by the Niagara Falls Illumination Board, which is an international board, and the parks commission is a corporate member of that board, with representatives from the city of Niagara Falls, New York and Niagara Falls,

Ontario. It is interesting to note, although I have not the exact figures, that the city of Niagara Falls, New York, pays about 60 per cent. of the cost of illuminating the falls from the Canadian side.

In the last two years we established a programme of a 5-year development of repaving the roads, and we have been spending approximately \$50,000 a year on the roads alone, which is quite an item.

There is a total of about 50 miles of roadway—including the main parkway, which is about 35 miles long—various service roads paralleling the same, and, of course, other auxiliary roadways.

The commission employs a public relations counsel who is responsible for writing feature stories about the park, supervising special events and ceremonies from time to time.

We also have the school of gardening which is operated by the commission under the horticultural department, which provides a 3-year course in practical gardening and general horticulture for 24 students, 8 each year. It is now recognized as the official school of its type in Canada, teaching this particular craft and workmanship.

This Saturday we are having graduation exercises for 8 of these boys. I am very happy to say that the hon. Minister of Travel and Publicity (Mr. Cathcart) will be the speaker, and I am sure what he will have to say will be thoroughly enjoyed by all.

We do not particularly specify that these boys must come from Ontario. We have had boys from Saskatchewan, British Columbia and Nova Scotia, but generally speaking they are from this province. We feel that this work at the gardening school, although it costs the parks system quite a sum of money to operate, is a contribution to Canada in the development of plant life and prevention of disease. This is a very good course which lasts for 3 years.

The majority of the staff have been with the commission for many years.

This applies particularly to the key executives and personnel. The commission has seen to it voluntarily that wages, salaries and working conditions have been maintained at a level similar to that of other departments of the government, including employees' benefits, group insurance, superannuation, privileges and so forth.

We adopted just the same system as exists in the civil service, and the employees are entitled to belong to the civil service if they so desire.

From the beginning the commission has understood its responsibility to maintain the many historic sites along the Niagara frontier within the parks and has made some major restorations — namely Fort George, Navy Hall and Old Fort Erie. One of the new historic site markers, under the programme of historic site marking, undertaken by The Department of Travel and Publicity is on park property near Niagara-on-the-Lake and was unveiled last fall.

About 35 historical locations are suitably marked throughout the parks, chiefly having to do with events connected with the military campaign of 1812-1814.

The commission is appointed by order-in-council, and serves without remuneration. Meetings are held regularly, once each month.

I thought that explanation might be informative, and I wish to see it go into *Hansard*.

I am not going to say anything more about the budget; I think I made my position clear at the outset of my address.

MR. H. F. FISHLEIGH (Woodbine): Mr. Speaker, the name of Pedro Jimenez was brought up while the hon. Minister of Labour was speaking. I stand corrected in that I said when I spoke last time that this boxer received nothing. Actually the hon. Minister is correct; he got 17.5 per cent. which amounted to \$400. But since then he has been an outpatient at a hospital. He has no money, but the Ontario government

has certainly looked after him to the best of its ability; nobody could be looked after better than he is.

One of the promoters has promised to give \$10 a week towards the support of his wife and 3 children, and the welfare department is looking after their rent and care until such time as they can leave the country. They have made arrangements to leave the country, at least the Spanish government has arranged this, and I have a letter here which states that they will take the family back on the Iberian Airways when they bring in some immigrants in May.

The problem now is that the family like Canada, they would like to stay here, so somebody will have to do a selling job and convince them that it would be better for this boxer and his family if they returned to Spain.

I stand corrected on the amount that he received.

Mr. Child moves the adjournment of the debate.

Motion agreed to.

SELECT COMMITTEE TO EXAMINE INTO THE LABOUR RELATIONS ACT

HON. L. M. FROST (Prime Minister):

Resolution: That a select committee of the House be appointed to examine into and report regarding the operation and administration of The Labour Relations Act in all of its aspects.

And that the select committee have authority to sit during the interval between sessions and have full power and authority to call for persons, papers and things and to examine witnesses under oath, and the assembly doth command and compel attendance before the said select committee of such persons and the production of such papers and things as the committee may deem necessary for any

of its proceedings and deliberations, for which purpose the hon. Speaker may issue his warrant or warrants.

The said committee to consist of 11 members, as follows: Messrs. Maloney, chairman; Yaremko, Spooner, Morningstar, Macaulay, Rowntree, Jackson, Myers, Reaume, Wren, MacDonald.

HON. MR. FROST: Mr. Speaker, just before you proceed with the motion, may I say it is not really necessary for me to add anything to what has already been said, because this matter has been discussed in this chamber and elsewhere since the commencement of the session.

I would say at the time of the standing committee on labour of the House, the hon. Minister of Labour (Mr. Daley) discussed the matter and expressed his desire and willingness that this should be done. It was also discussed in the House.

I have been impressed, as other hon. members have, concerning certain representations relating to the operations of The Labour Relations Act which have been made in this House and elsewhere. We have had many expressions of opinions which are calculated, in one facet or another, to better the operations of that Act.

I was very much interested in the report of the committee of the Ontario federation of labour which made its report in February last, and which the hon. members of this House have had the opportunity of considering and upon which the hon. members of the government and others heard certain representations delivered.

May I give my recollections offhand of the course of labour relations legislation in this assembly. It seems to me it was 14 years ago at this time that the matter of a Labour Relations Act was discussed in this House in the first concrete manner. As a matter of fact, there had been discussions before that time.

I remember the then hon. member for Windsor - Walkerville, now Senator Croll, introduced a very, shall I say, innocuous type of bill — it was so in the terms of today — back in 1939.

I may say I supported that bill at the time. It was a very short declaration in connection with the principle of collective bargaining which at that time was not officially or by statute recognized in Ontario.

There was a change of government later on that year and in the next year, after a good deal of deliberation, a bill was introduced making the operative part of it — this is my recollection — along the lines of the enactment of Ottawa which was an Act as a wartime measure known as P.C. 1,003.

That was a statement at that time translated into regulations introduced, I believe, by the late hon. Humphrey Mitchell in the House of Commons, and because of the wartime situation and the desirability of uniform legislation in the country, P.C. 1,003 was re-enacted in the bill of this Legislature.

At the time of that re-enactment, the composition of the Legislature was, I think, 38 on the government side and I think 53 on the opposition benches, which I can assure you was a highly difficult situation for the government, and of those hon. members on the opposition benches at that time, some 33 hon. members were from the CCF ranks. Time has seen a very considerable difference in the composition of this House since 1943.

Subsequently, Mr. Speaker, I believe it was in 1945, another Labour Relations Act was introduced by the present hon. Minister of Labour (Mr. Daley), who by the way, is, by all odds, I believe, the hon. Minister of Labour who has been longest in the saddle in the history of this province, and is doing a very satisfactory job indeed.

I would like here to pay a tribute to the hon. Minister, to his Deputy Minister and the former Deputy Minister, who died during the hon. Minis-

ter's term of office, Mr. Marsh, who was a very fine gentleman indeed, and also to those who have been associated with the labour relations legislation in this province, the chief of whom I must name as being Dr. Jacob Finkelman, who at that time, and since that time, as hon. members know, has been a professor of law in the law school of the University of Toronto.

I do not think there is any greater authority on the complicated matter of labour relations law than Dr. Finkelman, for whom I have great admiration.

He sat in this House on the sidelines in 1943, when the first labour relations legislation was introduced in this House, I believe, by Mr. Conant, then the hon. Prime Minister, and the hon. Peter Heenan, who was then hon. Minister of Labour.

Another Labour Relations Act was introduced at the instance of the then hon. Minister of Labour and the now hon. Minister of Labour, which contains many alterations from the basic scheme of P.C. 1.003 of some years before.

However, I believe it was in the year 1950 that the present Labour Relations Act, which was a summation of the experience of those various enactments, was introduced in this House by the hon. Minister of Labour and passed.

Mr. Speaker, I say this to you and to hon. members of the House: the matter of labour legislation of this type is new in America. Of course, we can go back in the United States to the introduction of The Wagner Act and other legislation which preceded our legislation by some period of time.

During the years 1943 to the present time we have been dealing with a new type of jurisprudence. We have been experimenting in a field of great social actions, highly necessary in these days in the development of the free enterprise system, and highly necessary in these days when labour, and industry and business must form a working partner-

ship. The necessity of development and production must, of course, go hand in hand with the great question of human betterment.

I would say that no one would consider that we have reached the ultimate, the last stage in that matter, but I am bound to say this to hon. members of the House, that experimenting and passing legislation in this field which is new in our system of government and in our way of life has been, in Ontario, unbelievably successful.

It is perfectly true there are places of friction. There are places where we think there can be betterment and we hope there can be. But I must say these things are difficult—very difficult—to evolve.

When I read the brief of the federation of labour—which I thought was, by and large, a very good document—one of the things that emerged in my mind, as I think it would emerge in the minds of hon. members here, is the fact that quite obviously and quite frankly, in many places those who pointed out problems were unable to say with certainty what the answers were.

I think that is an honest and decent approach, and it impressed me that this adds to the value of that document, and when the hon. Minister of Labour considered the brief, we were both impressed with the frankness and sincerity of those who presented it.

While reading it over, I and those of my colleagues who were with me were impressed by the fact that the recommendations were by no means put forward as a hard and fast and unalterable decision, but rather from the standpoint that is the standpoint of all hon. members—that we have been striving toward a solution of these problems which only come about in the affairs of men by experience and time.

That has been the way that government has been evolved over the years—and indeed over the generations and over the ages.

At this time, after 7 years of operation—because the present Act was intro-

duced in 1950 — I would like to mention this:

At that time in the House there was a very different composition than in this particular House. At that time, I believe, there were some 21 hon. members who sat in the opposition, very many of whom were drawn from the ranks of labour in one form or another.

We had labour men on our own side of the House as well, including the present hon. Minister of Labour, who is an old union man. Actually, I think there are more on the government side who have been in the ranks of the trade unions than there are in the opposition.

However, I would say it is desirable there should be an impartial discussion of the problems involved in this great matter of human relations and of society itself.

I know there are difficulties; I know there may be other viewpoints advanced, and, perhaps, we can get others to look at this Act; people who might be called experts and who, probably, are experts.

The great difficulty, Mr. Speaker, is to get individuals of that type who have not already taken sides in one way or another, so that an investigation by those people gets down to an arbitration by an appointed chairman.

I would say that in this committee appointed from this House there is very great talent. There are very many others I would like to recommend, but, after all, a committee has to be pretty well limited in size. When we get beyond 11, we get a large and unwieldy committee difficult to get together.

I feel those hon. members are all, in their own way, persons who have been connected and interested in the problems in this matter of human relationships from one viewpoint or another, and in taking all the checks and balances a committee such as this can report to this House its finding in a factual way.

I always pride myself that the party of which I am the head is composed of people possessed with freedom of thought. I can assure the hon. mem-

bers of the opposition they never hesitate to disagree with my viewpoint. As a matter of fact, as is well known, every bit of legislation that comes before this House is always discussed by the hon. members of the government, and I would say they sometimes take the legislation apart and on occasion they take me apart. But, of course, they always put me together again.

The hon. gentlemen named represent all parties and possess trained minds, and have their own estimate of what is fair and proper, and they possess the ability to make their own appraisals of the problems of these days.

Therefore, Mr. Speaker, I have pleasure in submitting this resolution to the House for its decision.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, strange as it may seem, I agree with the resolution just presented by the hon. Prime Minister. I think nothing but good will flow from the deliberations of this committee as it proceeds with the task which has been entrusted to it.

I was interested in the reminiscing of the hon. Prime Minister with regard to labour legislation. The historical background of labour legislation in this province is a very interesting one, and as one looks back over the past two decades there has been, indeed, not only rapid progress but progress that has kept pretty well in tune with the needs of the situation.

I remember quite clearly, as the hon. Prime Minister has pointed out, the day that hon. Mr. Croll, now Senator Croll, moved for collective bargaining legisla-

tion. I remember speaking with Mr. Croll at that time—that is a good many years ago—and I know that the hon. Prime Minister took the position tonight, in what he said, that hon. Mr. Croll took on that occasion. That speech, of course, was followed by the committee in the session of 1942-1943, and it must be said against the hon. Prime Minister that his party decided to sit the commit-

tee out. They did not take part in the deliberations.

HON. MR. FROST: Of course, I would point out to the hon. Leader of the Opposition that it was for the very good reason, at the time, that the committee was to pass upon the matter of collective bargaining, and having already made up our minds on that point in favour of collective bargaining, it was not necessary for us to sit on a committee to make up our minds.

MR. OLIVER: That is the most classical explanation I have heard in a long time. But, classical or not, I was not trying to make a political point out of it. I was just citing the incidents as they occurred.

Following the report of the committee to the House, legislation was introduced, as I recall, in the session of 1943, and then after the government changed, some aspect—some portion—of this legislation was altered and it has been making progress and change from then on.

I just want to say a word, Mr. Speaker in regard to the work of the committee. I do not think that labour legislation is ever complete; it is never up-to-date; it is always changing; it has to change to meet the changing needs; and it seems to me that the hon. members who have been appointed will make a good committee—I listened carefully to their names and catalogued their approach to this problem as I could see it at that time. I repeat, Mr. Speaker, quite conscientiously, that it is a good committee and that these men will not bring to the committee preconceived ideas too strongly held, and that they will be not only willing, but anxious to determine from the evidence submitted just what is the best course to pursue.

I say to the government that I am glad indeed that it introduced this committee. I have advocated it, as the hon. Prime Minister knows, for a number of years. I feel, as I did—as I do now—that a committee of this sort can do great good in a province such as this,

and I congratulate the government on the move it has made in this connection.

Motion agreed to.

THE CLERK OF THE HOUSE:
Notice of motion No. 2.

MR. A. J. REAUME (Essex North): Mr. Speaker, in view of the action of the hon. Prime Minister I want to move that the notice of motion be withdrawn and the order discharged.

Motion agreed to.

THE LABOUR RELATIONS ACT

Mr. D. C. MacDonald moves second reading of Bill No. 66, "An Act to amend The Labour Relations Act."

He said: Mr. Speaker, the point at issue in this bill is a relatively simple one, and it is one that was brought before this House last year.

I was rather interested in reading through the Ontario federation of labour brief, to which the hon. Prime Minister has made some references just a few minutes ago, to note that this is a point on which they laid a great deal of emphasis—they indicated that on no occasion in all of their hearings did they find anybody who opposed the main point that this bill attempts to cover, namely, that when a vote is taken for the certification of a union, that the percentage required—namely, a majority—shall be calculated in terms of those who have voted rather than in terms of those who are eligible to vote, so as to avoid a situation in which those who do not vote are, in effect, recognized, or recorded, as being opposition votes.

I was also interested to note in the Ontario federation of labour brief that at least one member who had submitted some representations to this Royal commission—as it has been described in labour circles—was the hon. member for Riverdale (Mr. Macaulay), who concurred also that this was an amendment to the Act which should be considered.

I do not think that anything more need be said. The democratic principle is normally acted on—or, rather, the principle is normally acted on in a democratic process—that the majority of people voting indicates the result, at an election time, or any other kind of organization.

Why, in our Labour Relations Act, we should have a procedure whereby it must be all those eligible to vote rather than those voting, is something that mystifies a number of people who have been taking a look at The Labour Relations Act for quite some time.

I know there is no analogy that so arouses the ire, particularly on the government benches, as this does. But the simple fact is that if the election in the province of Ontario had been run in accordance with the principles of the Act as it now stands, I do not know who would have been elected at the last election; but it certainly would have been a very confused matter, because approximately 60 per cent. of the people of the province of Ontario voted.

For the purposes of discussion here, about 30 per cent. voted for the government and 30 per cent. voted against the government. It was a vote of about 50-50. In other words, there were 30 per cent. voting against the government, and 40 per cent. who did not vote at all; in other words, 70 per cent. voted against the government, yet the government was elected with that 30 per cent. of the eligible voters.

These are not higher mathematics. This is just an illustration of the principle existing in the present legislation. If it arouses all this derision from the government ranks at the present time, I sit down with confidence that the government will support my amendment; and that we can get the democratic principle introduced into our legislation.

HON L. M. FROST (Prime Minister): I might point out to the hon. member for York South that, of course, there is a great deal of difference in what he is talking about—the type of

vote he is talking about—and the vote that takes place in a parliamentary or municipal election.

Then hon. member must remember this: that the premise upon which such a vote as this is based is that a permanency of the nomination of the bargaining agent shall be arrived at, and that this permanency may last indefinitely; that there will not be the requirement of a new vote; that the members of the union, or the representatives, are not faced with the matter of elections and re-elections for the nominations on a bargaining agent.

The purpose of this is perfectly apparent. Where there is a bargaining agent which is elected as the result of this election—if we put it that way—it is hardly an election, but certification as a bargaining agent. Such a relationship is highly successful if there are not then campaigns for decertification, or for the nomination of a new bargaining agent.

I would point out to the hon. member for York South that the difference in the parliamentary election such as he mentions, and an election such as this, is that there is a definite date, or an approximately definite date for another election.

To take this difference out of the parliamentary field, let us take for example the council of metropolitan Toronto. This council was elected last year, on, say, December 1st, or a date approximating to that. The voters knew there would be another election, a mandatory election, on December 1st two years hence, in 1958.

That is an entirely different situation from the one the hon. member for York South mentions. It may be that there are only 25 per cent. of the electors of the Toronto area who might vote, and they might elect a mayor with a 25 per cent. vote. But there is a positive assured recall for them; there is an election that is set without alteration or change two years later in which the people have the opportunity, if they did not vote, or if they voted adversely, to change their vote.

The very purpose of the parliamentary or the electoral practice in that regard is to see that there is a review, that there is an audit of the people of their elected representatives at that time.

That is true of labour legislation. The whole tenor and the tendency of the legislation is to try and arrive at a situation which will be permanent. Not only will there not be an election, but in fact, and if we put it this way for the purpose of a rough explanation, elections are discouraged. The right to have further elections is there for the purposes of the members of the unions if they want to avail themselves of them, but we all recognize that the best labour practices, and the best labour relations, occur when there is a permanency on the part of the bargaining agent.

I do not think the hon. member is discussing this matter from a very strong premise when he takes the point of view he does, because there is not any similarity in principle.

MR. MacDONALD: Will the hon. Prime Minister permit a question? What is the difference between this principle just set forth here — the permanency of the union — and the fact that if in a union a majority of people, as is now laid down in the Act, decide they want to have another union, all they have to do is say so and go to the labour relations board and out that union goes.

In other words, the alleged permanency of that union is simply fiction. If the majority of the people of the union go before the labour relations board, that bargaining unit can be decertified, and another established, so it is a myth that the hon. Prime Minister has created here.

HON. MR. FROST: Oh, no, not at all.

HON. C. DALEY (Minister of Labour): Mr. Speaker, I think this matter has been pretty well covered by the hon. Prime Minister. There is quite a difference when a vote

is ordered in an industry. This vote is on one piece of land. It is no doubt enclosed, and we send the scrutineers and the ballot boxes and they are all placed within easy access of the workers. It is no trouble for them, as in other areas where there is the difficulty of living miles out in the country, or of inclement weather, or of anything else, to interfere with that voting. The boxes are there and we make it quite easy for those who are there and wish to vote, that they will have the opportunity of a secret ballot. What has been the effect of this — I made a bit of a check on this — over the past 22 months, is that we have had, I think, 283 votes, and in only two of those cases would there have been any difference, only two of 283.

I am sorry I have not these figures here, but I am reasonably sure that is approximately correct. I think the reason for it is that a union which is trying for the bargaining agency in an industry wants to be strong. There is no use of it going in there half-way, because if management knows this union has not any strength of membership, or they have only so many, yet they have succeeded in getting a vote, the position of the union is weakened. It might happen in some cases that half-a-dozen people may take over the control of welfare of 100 employees. That is exaggerating a little, but it could happen.

The union is wise to get the strength, and then get the bargaining rights, and then they are in a sound and solid position to do business with the manufacturer and he knows it.

For that reason I think the law as it exists is good, due to the fact there are all those votes made available, and that it is easy for the men to just walk over and cast their ballots. In all these votes there were only two in which this sort of thing would have made any difference — certainly not in any of the big organizations. These two would have been in very small companies.

Generally speaking, the unions have good organization and will get between

80 and 90 per cent. of the voters, and therefore I say that if we in the select committee are going to sit on these matters, I would definitely oppose this bill, but as it is one of the matters raised by the labour congress, I think the hon. member should withdraw this bill and let it go to the select committee; let the committee decide whether they will hear representations from all people concerned on this question.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I am in the strange position of having agreed with the hon. Prime Minister a moment ago, and now I am about to agree — which is even more difficult for me on general principles — with the hon. member for York South. I have for many years said that this legislation in my judgment was not only sound but preferable to the existing one, because a simple majority is all that is required in most other fields, and I could never see why a simple majority should not either certify or decertify a union in these matters.

I do not think the argument of the hon. Minister of Labour was too strong when he said that only two out of 200-odd would have been affected. If this is true, and I assume it is, then surely we can subscribe to what is really a basic principle, and not do any harm to the sort of thing that has been talked about here tonight. It is not going to disrupt anything because it has been said it would not affect any more than two or three out of 200 or 300.

But it is a basic principle, it seems to me, and, if it should be put on the statute books, might have a detrimental effect, even from the vantage point from which the hon. Minister discussed it tonight. It seems to me that from that angle as well, it is good legislation.

The same sort of thing as the hon. Prime Minister suggested is requested for the farm organizations and the farm marketing schemes. I have stated repeatedly in this House for I suppose the last 10 or 12 years that a simple majority should be all that is required

to bring in a marketing scheme, or to put one out that was in, for that matter.

And what I said with respect to the farm organizations is said with equal force and equal fervour when it applies to labour organizations. I can see no harm at all and much good might come from implementing this particular recommendation.

HON. MR. DALEY: Mr. Speaker, I must disagree entirely with the hon. Leader of the Opposition. There are only two who have been affected as of the last 22 months, but if we change this legislation so that organized labour does not have to really do a job of organizing, and they are able to secure the bargaining rights in an industry without plenty of support from the workers in that plant, I daresay we will be led into a great many more strikes in this province.

MR. OLIVER: Oh, no. The hon. Minister's fears are groundless.

HON. MR. DALEY: I really believe that, Mr. Speaker. If the men who get behind the union want organization, they should work to get it, but for some reason or other, unless they must do so, they will be wishy-washy, and with this change in this legislation it will be found that the organizers of the unions will not exert the effort which they are exerting today. I repeat that they will go into a plant and get certification without having good, strong support. Then management will know they have not that strong support, and they will resist them at the bargaining table. Therefore, I predict that it will lead to more strikes and more difficulties.

I am very glad to have a committee examine into the legislation as it exists today, because the only thing I want to do is to administer in a manner which will keep industry and labour at peace, going along and doing business together, and I am very happy to have that at the present time.

I would be very happy to have this question laid before that committee. That is where I think it belongs. Why are we going to have the committee if we are going to pass legislation here that is already on the books? Why not pick up something else and bring that up? The hon. member for York South knew, before he made this resolution, that it is in the labour report.

MR. MacDONALD: I did not know that it was specifically in there at all. I could have guessed it was going to be there, because labour has only been asking for this in every annual brief for years.

HON. MR. DALEY: It has been suggested for years, but in spite of that, labour has gone along, made great progress, and obtained a great many certifications and agreements with a minimum of difficulty. There has been a minimum, I repeat, of labour disruption in this province, under existing legislation.

If it is deemed advisable in the wisdom of this committee, after dealing with the matter to make a change, that is another question and this House will have to deal with it.

But I certainly suggest that we should not make any decision on that point as of now, because I certainly would look for support from my own party to defeat that resolution if it has to go before this House.

HON. MR. FROST: Mr. Speaker, might I make this suggestion to the hon. member for York South, that in view of the appointment of the committee of which he is to be a member, and where he would have the opportunity of raising the question which is implicit in this bill, that he should move, as did the hon. member for Essex North (Mr. Reaume), for the discharge of this order at the present time with the view, as the hon. Minister of Labour said, that he can raise the issue at that time.

I think that will be better than perhaps trying to do anything which might form preconceived ideas in people's minds in relation to this matter.

MR. MacDONALD: Just a minute now, Mr. Speaker. If there was ever any tendency in my mind to accede to this most conciliatory olive branch offered across the red carpet here, it certainly has disappeared after listening to the hon. Minister of Labour.

The hon. Minister just expressed—and he is the man who has been there for 14 years, and if we listen to this government, it is to be assumed that the hon. Minister is going to be there for the next 14 years, and we may have to take that terrifying prospect into consideration—he has just expressed his considered view that if this were done, we would have many more strikes.

If I may so, that is utter “rot.” After 10 years of briefs submitted to the government, emphasizing this point, the government has had plenty of time to consider it. Now the government wants to delay it again, and here is its excuse for another year's delay. Let me quote one paragraph from the federation of labour:

It is not surprising that every single person—

including the hon. member for Riverdale, who unfortunately is not here tonight—

—who appeared before the committee felt that this requirement was not only undemocratic but completely unreasonable. It was pointed out that in no other comparable consideration is there any such requirement that a majority of eligible voters is required in order to win a vote.

We have had many occasions, too, when committees have considered this and they have come up with recommendations.

MR. SPEAKER: Order.

MR. MacDONALD: I will be finished in about 10 seconds, Mr. Speaker.

MR. SPEAKER: The hon. member may not make two major speeches on the same debate.

MR. MacDONALD: I have heard the hon. Prime Minister make 5 and more major speeches on one subject.

MR. A. GROSSMAN (St. Andrew): Mr. Speaker, I am very much concerned about this bill, because I feel precisely the way the hon. Minister of Labour feels.

I have had experience in union matters and will put my union record against that of many hon. members in the House, perhaps most, and I say that the hon. Minister's point is very well taken.

I do not think any hon. member can tell me — I do not know what the exact figure was, whether it was 283 to 2—that any union organizer is going to take the trouble, if the plant has 200 eligible voters, to go out and interest 100 to come out to vote, if he can do the same thing by getting 25 or 50 to come out, and get a majority in that way. It simply does not happen that way.

I am certain that the thesis laid out by the hon. Minister of Labour is quite correct, that labour difficulties will result from it.

I do not say that the automatic check-off is wrong, but that was one of the unfortunate reactions to the automatic check-off, that many union leaders lost contact with a number of the working men themselves who were paying the dues. I have also seen that happen.

This is a tendency in our modern, complex society. It is not just in labour or in industry, it is in governments as well — the tendency to get 10 delegates from an organization of 500, then the 10 themselves sending two delegates to another organization and finally reach-

ing the top of a pyramid with 3 or 4 people representing thousands.

Unfortunately, because of our complex society in many instances, it is easier to do so. It is not a comparable situation.

MR. MacDONALD: Certainly it is.

MR. GROSSMAN: The hon. member for York South said this does not occur in any other comparable situation. I suggest that there is no other comparable situation, there is no other situation quite like that which exists in labour relations, and that we cannot compare it at all with a democratic election of a government. It is an entirely different matter.

For example, in an election for a government, we have a wide open election campaign, with the newspapers participating and both sides being threshed out, and, incidentally, I, as an ordinary citizen, do not have to fear any punitive action if I go out into an open campaign against either party which is fighting for power.

But it has happened in some plants where, if I take an open part against a particular clique which is trying to get control of that particular union, that there has been punitive action taken.

I know that is not general, but these things have happened, and I think it is much better for the trade unions to leave a situation whereby the organizers will make sure that they have as much contact as possible with working men and that the members of the union constantly have to be after them to take an interest in the balloting when elections are held, and that is probably one of the reasons we have the fairly good labour relations which we have, and why it would have made a difference in only two cases.

Hon. Mr. Porter moves the adjournment of the debate.

Motion agreed to.

Hon. Mr. Frost moves that Mr. Speaker do now leave the chair and that the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole, Mr. C. E. Janes in the chair.

THE GASOLINE TAX ACT

House in committee on Bill No. 98, An Act to amend The Gasoline Tax Act.

MR. D. C. MacDONALD (York South): Mr. Chairman, the last time this bill was before the House a number of attempts were made to amend it; one of them was declared out of order immediately, the second one was accepted, and then the next day the hon. Mr. Speaker gave an interpretation or an elaboration on his ruling, in which he pointed out that a private hon. member could not interfere with the amendment of a money bill.

Generally speaking, that is the case, but there is one exception to the circumstances which permits a private hon. member to move a motion. I would refer you, Mr. Chairman, to page 544 of the 13th edition of May. I suspect, if I overheard the Clerk correctly, he will likely find this in the 15th edition also.

HON. MR. FROST: Is this with reference to a ruling of His Honour the Speaker?

MR. MacDONALD: No. I am moving to make an amendment, and I am justifying my amendment in advance of making it. The last time I made the mistake of making the amendment and having no opportunity to justify it.

On page 544 of May, 13th edition, we find this:

Proposals for the variation or modification of taxation can therefore be made in the committee, but these proposals must be drafted upon the financial scheme submitted by the government and must not affect the balance of the ways and means voted for the service of the year.

Amendments therefore can be proposed to substitute another tax of equivalent amount for that proposed by the government, as for instance, a proposal to substitute probates and legacy duty on real property as an alternative for an inhabited house duty, the necessity of the new taxation to that extent being already declared on behalf of the Crown.

In other words, Mr. Chairman, it is within the rules of the House, as indicated by Mr. May, an acknowledged authority, that it is possible to make an amendment to a money bill if one does not upset the supply of ways and means, and if one indicates an alternative way of raising that amount of money.

I suggest we have precisely this kind of situation facing us with regard to this gasoline tax bill. If one examines the report of the toll roads committee—and this is a point I want to emphasize because it has become lost in all the discussion we have had of this toll roads committee report—it will be found that one of the recommendations on page 47 has, right in the heart of that recommendation in parentheses, that:

pending a study by The Department of Highways with the object of establishing a proper basis of rates for imposition of the weight-distance tax—

in other words, pending that study which conceivably may take some time—the committee's recommendation was that there was a stop-gap measure that could be taken immediately to raise roughly an equivalent amount of revenue.

It might result in levies on a rough justice basis which could be ironed out later, and the equity could be completely established after the basis for a weight-distance tax is studied. But meanwhile, an equivalent amount of revenue could be raised.

They suggested in the course of these recommendations, to be found on page 47, there are 3 ways in which it could be done.

One of these ways is to remove the inequity involved at the present time

between public commercial vehicles and private carriers—an anomaly, incidentally, that strikes me as rather strange that it should have existed for as long as it has.

To take an example, why should not Labatt's brewery trucks, equally heavy but privately-owned, have to pay the equivalent amount of revenue to a public commercial vehicle of the same weight? That inequity should be ironed out.

It was also the suggestion that the weights for registration normally on heavy vehicles should be increased, so that it could come closer to fixing upon these heavy vehicles a fair share of the cost, more in keeping with expenditures which must be put into the road to meet their needs.

Finally, the third recommendation of the committee, which it is possible to implement immediately, is that there should be a graduated fuel tax, graduated up from what the basic rate happens to be at the moment, for various weight categories, so that they would be contributing more in keeping with their use of the roads, and once again, the capital cost to meet their needs.

I have not checked in *Hansard* for the actual quotation, but I was very interested the other day in listening to the hon. Prime Minister presenting the case of the government for increasing the diesel oil fuel tax, and unwittingly he got himself into the same sort of a corner from which now he has to fight out with regard to this legislation. This is roughly what the hon. Prime Minister said: "It would be the height of absurdity to have these diesel vehicles breaking up our roads and not paying their fair share of our \$250 million highway budget."

I suggest, Mr. Chairman, it is equally the height of absurdity, since the toll roads committee has suggested a stop-gap interim arrangement which is capable of immediate implementation, that for any longer we should not be raising from the heavy transports the amount of money in keeping with their

pounding of the roads and the capital requirements that must be put in there.

I draw attention to a quotation which the hon. member for Wellington-Dufferin (Mr. Root) disputed the other day. He said it represented:

an American assessment which has no relationship to Canada, but when the toll roads committee considered it, and put it in the report, they believed that it did have a relationship to Canada, and their point was that a simple increase in the rate per gallon of gas taxes would mean that approximately 90 per cent. of the burden would be paid by the passenger cars and light trucks in relation to use and the number of registrations.

Therefore, I think we can raise an equivalent amount of revenue, and raise it in a manner that I have just indicated. We can get a greater equity in our highway revenue rather than a perpetuation of the present inequity. For that reason, I want to move, seconded by the hon. member for Oshawa (Mr. T. D. Thomas), that subsection 2 of section 2 be deleted and the following be substituted therefor:

HON. L. M. FROST (Prime Minister): Before the hon. member makes that motion, we should get rid of section 1. We will take his speech as read.

MR. F. R. OLIVER (Leader of the Opposition): On section 1, I just want to ask what is the justification for taxing aviation gasoline in this bill? I am just asking for information. It does not seem to me that it can be connected with the highways in any way, shape or form, and the tax was always predicated on the assumption that tax was being paid to build highways. The airplanes do not use the highways to any great extent.

HON. D. PORTER (Provincial Treasurer): A gasoline tax is a tax, and by extending it to aviation gasoline it increases the revenue.

MR. OLIVER: It becomes a straight sales tax and nothing else.

HON. MR. PORTER: That may be so. That is what it amounts to, yes.

HON. MR. FROST: I point out to the hon. member that they use our air, hot and otherwise, in this province.

MR. GORDON: Mr. Chairman, I have a protest from the Johnson Wax Company —

HON. MR. PORTER: If the hon. member would wait, I think I have an explanation in connection with that that I was going to make when we get to section 3, which I think may answer the objection that the hon. member has in mind.

Section 1 agreed to.

On section 2:

MR. MacDONALD: Mr. Chairman, I move, seconded by Mr. T. D. Thomas, that sub-section 2 of section 2 be deleted, and the following be substituted therefor:

That it is expedient to introduce a measure for

(a) revising registration fees for vehicles over 18,000 pounds to reflect their fair share of highway costs and maintenance;

(b) raising the fees paid by private carriers to equalize them with the fees paid by public commercial vehicles;

(c) an upward grading of the gasoline tax, in accordance with the various weight categories, for all fuel used in vehicles of 18,000 pounds or more,

to the extent necessary to maintain the balance of ways and means.

This is, therefore, in accordance with the ruling of May to which I referred.

I would like to say in conclusion, that this is within the rules as laid down by

May, giving an opportunity to those who are opposed to the gasoline tax to stand up and be counted.

HON. MR. PORTER: I must point out that the amendment presented to the hon. member does not come within the 4 corners of the rule of May.

MR. OLIVER: It is a deletion; it is not an amendment.

HON. MR. PORTER: Yes, and in the second place, according to May, the hon. member would have to substitute a tax for the tax contained in the bill. The hon. member has a very vague combination of words which talk about raising money in a vague way to make up for what would be the loss of this tax, but he does not specify the percentages or the number of cents per unit. It is not a substitute at all.

However, Mr. Chairman, I cannot accept the principles propounded by the hon. member as a precedent at all. It is out of order, but even if it were in order it is not acceptable.

MR. MacDONALD: Why is it out of order? It is a suggested alternative way of raising an equivalent amount of revenue.

MR. OLIVER: Without arguing the merits of the proposal at all it is beyond my comprehension how we could amend a section by throwing a complete section out. It is not an amendment, it is a complete deletion and a substitution in its place of entirely different principles. It is not an amendment at all, I suggest, in all seriousness.

MR. J. MALONEY (Renfrew South): I understand the hon. member for York South was using as an authority the 13th volume of May, page 544, chapter 18, where we find this:

Proposals for the variation of modification of taxation can therefore be made in the committee, but these proposals must be grafted upon the

financial schemes submitted by the government and must not affect the balance of ways and means for the service of the year.

Amendments, therefore, can be proposed to substitute another tax of equivalent amount than that proposed by the government. For instance, a proposal to substitute probate legacy duties on real properties as an alternative of an inhabited house duty.

In respect of new taxation to that extent being already declared on behalf of the Crown, any augmentation of the tax by the Crown, as has already been explained, can be proposed to the committee, nor a tax imposed, save upon a motion of a Minister of the Crown.

MR. P. MANLEY (Stormont): Mr. Chairman, it is an odd thing that the hon. member for York South votes in favour of the bill on the first reading and the second reading, and now he comes along and wants to throw the whole thing out.

THE CHAIRMAN: Order, order.

HON. MR. PORTER: It is out of order and unacceptable if it is in order.

THE CHAIRMAN: The amendment is out of order on two grounds:

(1) The amendment was not drafted in a form as a section of the bill to replace the section sought to be deleted.

(2) English precedents are only referred to when the question has not been dealt with by a ruling of Mr. Speaker in this House. This amendment is identical in purpose with one already ruled out of order by Mr. Speaker at this session.

As this is the same as that already ruled out of order by Mr. Speaker at this session, it is therefore ruled out of order now.

MR. MacDONALD: Well, Mr. Chairman, I have to accept your ruling. Section 2 agreed to.

On section 3:

HON. MR. PORTER: In connection with section 3, this provides excluding products from this Act under The Gasoline Tax Act. It is provided by order-in-council that certain rebates can be given, such as to farmers and fishermen. This is an additional provision to permit an order-in-council to be passed to exclude certain products from the operation of this Act.

I am advised that gasoline is one of the substances used in the manufacture of drugs, rubber and paints, although, strictly speaking, the gasoline that is described in this statute is not the sort of gasoline which propels automobiles. It is a solvent, which is a somewhat different substance, and I propose to omit solvents of that kind which I am advised can be properly described. We have consulted the Ontario research foundation, and we are advised they can be properly described so they can be excluded entirely from the operation of this Act.

MR. MacDONALD: May I ask the hon. Provincial Treasurer if this same ruling applies to representations which have been sent to the hon. Prime Minister from the Inter-Provincial Inks Company?

HON. MR. PORTER: I am not familiar with that particular one. I am advised yes.

MR. WINTERMEYER: Do I understand the hon. Provincial Treasurer to say that, in fact, these solvents, if you will, are going to be excluded from the operations of the Act?

HON. MR. PORTER: That is what I propose to recommend to counsel —

MR. WINTERMEYER: Have we an assurance that it will be done?

HON. MR. PORTER: If the House sees fit to pass it.

MR. WINTERMEYER: It is one of the basic objections that we in the opposition put forward in respect to this particular bill.

HON. MR. PORTER: If we arrange to deal with that point for the hon. member, is he prepared to vote for the bill?

MR. OLIVER: We will tell the hon. Provincial Treasurer about that. Do not let him too enthusiastic.

MR. WINTERMEYER: I want to make it emphatically clear — are we getting an assurance that this inequitous tax would not apply to such things as paints and so forth?

HON. MR. PORTER: The only assurance I can give to the hon. member is —

MR. WINTERMEYER: There is only one assurance, and I think it is common sense. Let me see the plan before I am asked to "buy a pig in a poke."

HON. MR. PORTER: I propose to recommend to cabinet counsel that solvents of that description be excluded from the bill.

MR. WINTERMEYER: I am gratified that, to that extent, the legislation has been improved.

Sections 4 to 6, inclusive, agreed to.

Bill No. 98 reported.

MR. WHICHER: I would like to ask a question of the hon. Provincial Treasurer. Was there a tax on aviation fuel before?

HON. MR. PORTER: They were taxed, but they received a full rebate, just as the farmer does; they got a rebate of 11 cents.

MR. WHICHER: And now they have a sales tax of 2 cents per gallon?

HON. MR. PORTER: The hon. member may call it that. I say it is a gasoline tax. That is what the Act calls it.

MR. OLIVER: I thought the hon. Provincial Treasurer was against a sales tax.

Bill No. 98 reported.

THE CORPORATIONS TAX ACT, 1957

House in committee on Bill No. 111, The Corporations Tax Act, 1957.

Sections 1 to 26, inclusive, agreed to.

HON. MR. FROST: Might I suggest to the House that the balance of this bill — which is a highly technical bill — is really a re-enactment of the provisions of the Ottawa legislation. As a matter of fact, there are definitions of "income" here, and the definitions are taken to provide for uniformity with the Ottawa provisions.

We have taken this position before in this House in relation to a bill of this size, involving 100 sections, that if there are any of the remaining sections on which the hon. members want to raise a question, that might be done; but otherwise it would be taken as reported without the mechanical need of going through these various sections.

Again, I say that these sections are highly technical, relating to definitions of income and the location of the status of earning and things of that sort. I think the question might be asked that if there are specific questions in relation to any section, we might deal with that, otherwise the bill will be reported as it is.

MR. J. F. EDWARDS (Perth): Could I go back to section 10, with respect to expressing of loads? I live in a railroad town. I represent the riding of Stratford and Palmerston, two railroad centres. We have the problem of truck express, where the truck express by the Canadian Pacific Railway — not the

Canadian National Railways — deleted the services north of Palmerston by trucking. They have already taken the mail in that area by truck on a federal deal, which the members are all against federally and provincially. It all boils down to this, that it seems they want to make the truckers make more use of the railroad. That is one point.

I go along with the hon. member for Bruce. What I am getting at is, that we are changing the economy all around and getting it off the railroad; and I go along with every statement made in this House that steel, cement, logs and heavy material should be back on the railway where they belong, and off our highways. We have public commercial vehicles; Canadian Pacific Railway express trucks travelling all around where lines are cut off by the Canadian Pacific Railway, with the Canadian National Railways considering it. I think they are trying to cut off our branch lines up there.

I know they are trying to take the express business, but, after all, the railroad built this country. We all go for that. Most municipalities are aware that they are paid for the railroads going in; they are paid both ways.

So far as I am concerned, I am no authority on that basis. I do not know anything about corporation laws, or what the dues are on this, but I represent the people who elected me, and this is a serious matter. I think the time has come to deal with trucking express and the transport business in this House, and I just want to make my point here, that we have to watch these matters, when it comes to carrying on and using the railroad or trucking express, or corporation deals.

We cannot get too far with the Canadian National Railways, because I think the government in Ottawa runs it, and I think the hon. member will agree with me—

MR. MacDONALD: The Canadian Pacific Railway runs the Canadian National Railways.

MR. EDWARDS: I believe in free enterprise, but what we are doing here is that we are cutting—

HON. MR. PORTER: I may say that it is deductible against income.

HON. MR. FROST: I would point out to the hon. member that this is an alternative position and it is deductible; it is not an additional tax, it is deductible as against the corporation—the normal corporation tax.

MR. WINTERMEYER: In its entirety? Only one-half.

THE CHAIRMAN: The hon. Prime Minister has moved that except for some questions, to take the bill as reported. Is that agreeable to the House?

HON. MR. PORTER: I have an amendment to section 88. This was a section that was in the prior Corporation Act and was inadvertently omitted in this, and it reads as follows:

For the purpose of any proceeding taken under this Act, the facts necessary to establish compliance on the part of the Treasurer with this part as well as the failure of any person, partnership, trust or corporation to comply with the requirements of this part shall, unless evidence to the contrary satisfactory to the court be sufficiently proven in any court of law by affidavit of the Treasurer or any officer of the Treasury Department.

I move the amendment be passed.

Motion agreed to.

MR. WINTERMEYER: That section is not intended to mean that by virtue of the affidavit you avoid going to court? You have to go to court to prove your claim?

HON. MR. PORTER: Yes, there are a great many of these matters come up in division courts and other courts, and it is a convenient way to present the

details of the record. I might say I insisted that little clause be added, "that unless evidence to the contrary satisfactory to the court" is adduced. That was not in the Act before.

Section 88, as amended, agreed to.

HON. MR. PORTER: There is one further amendment to section 96, subsection 3. I move that subsection 3 be added as follows:

In any case, the last preceding fiscal year of a corporation is a fiscal year ending during 1956; the amount of the tax payable for that fiscal year for the purpose of sections 69 and 70 is the amount that would be payable by that corporation for that fiscal year; that the provisions of this Act be effective during the fiscal year in respect to the corporation ending during 1956.

Section 96, as amended, agreed to.

MR. OLIVER: Mr. Chairman, I was going to ask the hon. Provincial Treasurer a question in respect to section 45, having to do with co-operatives. It is indicated that this is a new section, and I am wondering if the hon. Provincial Treasurer could intimate what impact this would have on co-operatives, and if it is changed in any great degree.

HON. MR. PORTER: This is exactly the same as the income tax of Canada; we followed that in all respects.

MR. WHICHER: Does the hon. Provincial Treasurer mean there is some good down there after all?

HON. MR. PORTER: The corporate income that is subject to this tax is defined precisely as the corporate income in Ottawa, for the very obvious reason that it is for the convenience of the taxpayers. They need only to make one calculation of income and apply the two different percentages to it.

MR. WHICHER: That extra two per cent. is not an extra convenience?

HON. MR. PORTER: Well, the hon. member voted against it, so his conscience must be clear, and he can sleep at nights and even sometimes in the daytime.

Sections 1 to 100 agreed to.

Bill No. 111 reported.

THE MOTOR VEHICLE FUEL TAX ACT

House in committee on Bill No. 115,
An Act to amend The Motor Vehicle
Fuel Tax Act, 1956.

MR. WHICHER: The hon. Provincial Treasurer had a change of heart in dealing with some of the gasoline which goes in—

HON. MR. PORTER: It was not a change of heart, it was just being a little more precise.

MR. WHICHER: Well, we say it was a change of heart. I do hope that in Bill No. 115 he also had a change of heart and that he will bring that 20 cents down to a more realistic figure.

Section 1 agreed to.

HON. MR. PORTER: There is an amendment which is recommended in view of the enforcement to cover the case where some person places some fuel in the fuel tank, some other type of fuel in the fuel tank, where a person places any product that is excluded from this Act by the regulations in a fuel tank, such product is no longer so excluded and is taxable as fuel under this Act.

The person so doing shall forthwith pay the tax imposed by subsection 1 on such fuel to the Treasury directly or to any Registry. Any person who fails to comply with subsection 5 will be guilty of an offence, and on summary conviction is liable to a penalty of not less than \$100 and not more than \$1,000.

That is to cover the case where, for instance, stove oil will be excluded from the Act, and it often happens they can mix stove oil with some other type of diesel oil and operate a diesel motor, and if that is put in a tank of a motor vehicle operated on the highway, then the tax must be paid.

Section 2, as amended, agreed to.

MR. EDWARDS: Mr. Chairman, I had cause to make representation to the hon. Minister in connection with diesel-operated vehicles in cities and other municipalities, and I wonder if any consideration was given to that.

HON. MR. PORTER: There has been some consideration.

MR. EDWARDS: Going a little farther, and I do not want to point out cities yet, we have electrically operated units in some cities in this province which do not pay any tax, and yet this is putting it on cities where they have to pay the diesel fuel tax to operate.

HON. MR. PORTER: That is so, but once we begin to make exceptions it becomes rather difficult. We get a great many other people who also want exceptions. There is a further amendment recommended here, that a similar section as is now in The Gasoline Tax Act be included in this, that section 20 of The Motor Vehicle Fuel clause be amended as follows:

Providing by order-in-council the exemption of any class of persons from the payment of tax imposed under this Act, secondly, refunding any tax or any portion thereof paid under this Act to any person or class of purchaser in describing the records of materials to be furnished upon any application for refund.

The same principle as applies to the gasoline tax. We may have an opportunity of considering any very special cases that come up.

I am not in a position to make any definite statement as to what might be

done under that, but we thought it might be advisable to have that power so we might act in the course of the year.

MR. T. D. THOMAS (Oshawa): The hon. Provincial Treasurer said that any stove oil put into the tank of a diesel truck would be charged tax, too. Is that not going to be rather difficult to enforce?

HON. MR. PORTER: Very, but it is there. It will be difficult, but that is one of the methods of evasion. I do not imagine that it is a very widespread method in the big operations.

It is impossible to cover every possible evasion of every tax statute, but it was thought that is a real possibility, and there should be a statutory provision to cover it. If a person is caught, he is subject to that section.

MR. MacDONALD: Mr. Chairman, I wonder if I might ask the hon. Provincial Treasurer a question in this connection? This is a matter we discussed considerably in the toll roads committee, and there is another way of catching this evasion and that is to get the person who sells it as well as the person who is using it.

HON. MR. PORTER: That is all provided for in the main Act. These are merely amendments to The Motor Vehicles Fuel Act. The Motor Vehicles Fuel Act which was passed at the last session of this Legislature provided for the method of registration of all dealers in diesel fuel that is sold to motor vehicles.

MR. MacDONALD: In other words, if a merchant is selling stove oil, and he sells 50 gallons of it to some trucker who puts it in his diesel unit, he immediately becomes in effect a merchant who is selling diesel fuel as defined in this Act, and therefore subject to these fines too?

HON. MR. PORTER: No, if he puts the stove oil into the truck tank,

he is guilty under this section. If he simply sells stove oil to the trucker and does not know where the trucker is going to put it, then the man who puts it in his tank is guilty. I admit it may be difficult to enforce, but it is considered that it should be there. Stove oil generally is exempt.

MR. WINTERMEYER: Mr. Chairman, I would like to ask the hon. Provincial Treasurer with respect to the amendment whether he is in any position to advise the House whether or not it is the intention of the government to exempt public utility commission buses from this particular levy?

HON. MR. PORTER: No, I am not in a position to say at the moment.

MR. WINTERMEYER: The hon. Provincial Treasurer is not?

HON. MR. PORTER: No.

MR. WINTERMEYER: Has any consideration been given to that?

HON. MR. PORTER: We have not had a chance to consider it sufficiently, let me put it that way.

MR. OLIVER: That matter, of course, becomes increasingly important, as the hon. Minister will appreciate, as the government raises the gas tax higher, and the diesel fuel tax up to 20 cents a gallon.

When one looks at the financial operating statement of these public utility commission organizations in cities, and realizes that they are losing money on their operation and that the higher tax the more money they will lose, it seems to me it is very important indeed that more than casual consideration should be given to the problem.

HON. MR. PORTER: I did not say we would give it casual consideration. I hope to have an opportunity of giving it full and exhaustive consideration, which we shall do.

MR. G. T. GORDON (Brantford): Mr. Chairman, I might mention that in the city of Brantford the public utility commission operations this past year have shown a deficit of some \$80,000. Of course, this increased tax will make the deficit more.

MR. WHICHER: Mr. Chairman, I believe the other day the hon. Prime Minister suggested that there might be some better way for the collection of this tax. I stand corrected if that is not so.

HON. MR. PORTER: Well, of course, that is not in this bill, that was in the Act that was passed at the last session. We are operating under that Act.

MR. WHICHER: Yes, but there seems to be some trouble about the collection of the tax.

HON. MR. PORTER: Well, that Act was never proclaimed.

MR. WHICHER: I see.

HON. MR. PORTER: It will be proclaimed when this comes through.

MR. OLIVER: Well, that should help.

HON. MR. PORTER: Yes, we would hope so.

MR. T. D. THOMAS: One year late.

Bill No. 115 reported.

INCOME TAX RENTAL AGREEMENT

House in committee on Bill No. 113, An Act to authorize an Income Tax Rental Agreement.

Sections 1 to 4, inclusive, agreed to.

Bill No. 113 reported.

THE LOGGING TAX ACT

House in committee on Bill No. 114,
An Act to amend The Logging Tax Act.

Sections 1 to 7, inclusive, agreed to.

MR. WINTERMEYER: Mr. Chairman, I am sorry I do not have that particular bill in my book, but may I ask the hon. Provincial Treasurer whether any consideration has been given to the representations which I understand were made by the pulp and paper industry?

HON. MR. PORTER: Of course they have, we give full consideration to all representations. It has been fully discussed since.

MR. WINTERMEYER: And the bill is in exactly the same form as it was before?

HON. MR. PORTER: That is right.

MR. WINTERMEYER: Is there any relief in this bill that has not been suggested heretofore? I understand that they suggested that certain amendments might be made, or certain relief given.

HON. MR. PORTER: What relief? They do not want the tax at all.

MR. WINTERMEYER: Well, that is a fundamental argument, of course, but I understand that in certain instances it is possible that a company will be subjected to a double tax.

One might conceive the case of a farmer, or some person owning a small parcel of land, cutting the trees and thereafter paying the tax on his operation, then one of the larger companies buying from this person is subject to the tax a second time with respect to the profit he makes on his operation.

HON. MR. PORTER: They do present an argument to that effect, but this is a somewhat complex formula, as the hon. member for Waterloo North will see.

However, it is a formula that was accepted by Ottawa; it would establish a tax which would be an expense of doing business and would be deductible—or would not be deductible, actually, but it would reduce the amount of corporation income tax by about one-half.

HON. MR. FROST: It was agreed upon by the 10 provinces.

HON. MR. PORTER: Yes, the 10 provinces agreed on that formula.

MR. WINTERMEYER: Are the other provinces imposing this sort of tax?

HON. MR. PORTER: I do not know whether they are yet, but they can. However, this is what the federal government gave us as a piece of comfort for not getting more of the major sources of revenue, namely, the corporation income tax. They said that, of course, natural resources of the provinces are legitimate sources of taxation for the province, and that if we would tax to the fullest extent of the formula, that they would allow us to have it as a deductible expense of doing business, which will reduce the taxable income accordingly.

It was some concession, not too great, but nevertheless we found that we could not afford not to take advantage of it.

MR. WINTERMEYER: Then may I ask this, it may not be directly relevant here—but I have often wondered whether or not any suggestion was ever made to Ottawa along this line—that when a natural resource industry goes into operation, normally they lose money for several years and that particular loss can be charged against profits in the subsequent 5-year period.

Has any consideration ever been given to the suggestion that, for the period of the first or second year during which the company makes a taxable income, if I may put it in that unusual way, the amount of the tax that would normally be paid in that first or second year be rebated to the province?

Perhaps I am not getting my point across, and it is purely a personal idea that I have. I recognize an argument, or at least a point in the argument the hon. Provincial Treasurer makes, that something should be given to the province for the use of these natural resources, and it is difficult to determine how that should be done.

My objection is that unfortunately an industry is being penalized in this most difficult and competitive position.

HON. MR. PORTER: One thing which can be said about this bill is that it taxes only on the basis of profits. That is the device which is used to calculate the logging tax. It is a portion of the profits of the company which under this formula are attributed to the logging part of the operation.

There are certain arbitrary elements in it, of course. That gives an advantage to the company. If it is not making profits, as it likely would not be making profits at the early stage, it will pay no corporation income tax. Therefore, it may be many years before it pays anything in the nature of a logging royalty.

So, as the profits increase, we receive a greater revenue, which makes up for some of the loss of revenue we had from logs which were used before the company was making a profit.

The same principle applies to the mining tax. The mining tax is intended to be the equivalent of a royalty; but a mine may operate for a number of years without making any profits on its mining operations and pay no tax, but then as it makes a greater income, in The Mining Tax Act the rate is stepped up. That is the way we get it returned.

HON. MR. FROST: I may say to the hon. member that these matters, of course, were debated at very great length by the continuing committee and the technical committee of the conference. This formula, I think, in the end was advanced by the province of British Columbia, and it gained the acceptance of the various provinces and

was accepted by the federal government.

To some extent it is a federal formula, for the reason that the proposal which was made by British Columbia, and which was later revised and accepted by the provinces, was then revised by the federal government and they accepted the formula.

The defect of the formula is not in the formula itself; it is in the application of it. The amount of this tax in all justice, instead of being treated as an exception, should be treated as a straight deduction from corporation tax. That is what we contended and that is what it should be. That ought to be so in The Mining Tax Act as well.

In other words the provinces, in the taxation on natural resources, are faced with very great expenses. In all pioneer areas, and areas where there is mining or there is the development of primary products, such as the product of the forest, there is very great expense to the province and to the municipality. The provinces should be given on their resources a straight deduction against any corporation tax instead of treating it merely as a deductible item.

MR. WINTERMEYER: I think there is a lot of merit in that.

HON. MR. FROST: I would be very glad to introduce a resolution in the House to that effect, if I felt I could get the support of the hon. member to that proposition.

MR. WINTERMEYER: Mr. Chairman, the hon. Prime Minister can have my support, providing the amount of revenue which he derives is not in excess of the investment he makes in this industry. I think that is the basic point, and the assumption on which he must be working.

I think the province is entitled to have its investment returned, but just how it is brought about, I am not sure. The hon. Prime Minister's suggestion would be one. I think the suggestion I am

making is another; that is, for a certain period, a year or two, we receive the entire corporation income tax rebate.

MR. WHICHER: A point on which I am still not clear is that the hon. Treasurer and the hon. Prime Minister said this formula was advanced by British Columbia.

HON. MR. FROST: This was in the series of conferences.

MR. WHICHER: This formula is the same for all provinces which implement this tax. But surely, these figures are changed here. The province is taxing more than the federal government did last year. That is true.

HON. MR. FROST: No.

MR. WHICHER: How does this government raise more money? The additional tax this year on mining and logging is about \$6.1 million.

HON. MR. FROST: It is more than was levied before, that is a fact.

MR. WHICHER: Yes.

HON. MR. FROST: But the provinces contended they were not getting sufficient from their natural resources, which was true. The amount of the previous tax was also agreed upon by the federal government prior to, or under, the old arrangement from 1952 to 1957. As a result of the conferences, the federal government agreed to this formula which increased the amount which the federal government would treat as deductible against corporation income.

MR. WHICHER: If, on the one hand, it were decreased by \$1 million, it would still be deductible; or if it were increased by another \$1 million?

HON. MR. FROST: No, not if it were increased.

MR. WHICHER: It is at the top now?

HON. MR. PORTER: One can only go so far under this formula.

MR. WHICHER: So far up?

HON. MR. PORTER: Yes.

MR. WHICHER: And the hon. Minister has taxed them to the maximum?

HON. MR. PORTER: Under this formula, yes.

HON. MR. FROST: If we have to get it, we have to get it.

MR. OLIVER: But the hon. Minister wanted the new formula.

MR. WHICHER: That is what I wanted to know.

HON. MR. PORTER: What is wrong with that? Is the hon. member objecting to that?

MR. OLIVER: The hon. Minister has gone as high as he can under this formula. He will have to get another one.

HON. MR. PORTER: That is right. The hon. Leader of the Opposition looks as though he is angry.

MR. OLIVER: I am not angry.
Bill No. 114 reported.

THE FINANCIAL ADMINISTRATION ACT

House in committee on Bill No. 159,
An Act to amend The Financial Admin-
istration Act, 1954.

Sections 1 to 3, inclusive, agreed to.
Bill No. 159 reported.

THE MINING TAX ACT

House in committee on Bill No. 119,
An Act to amend The Mining Tax Act.

MR. WHICHER: I might ask, Mr. Chairman, if the basis of this Mining Tax Act is the same as the logging? That is, was there a formula for the provinces?

HON. MR. PORTER: Well, it is not quite on the same basis. It is left to the mining assessor who operates under The Department of Mines to assess the portion of the profits of the company, that are attributable to the mining part of the operations, and the part of the profits which are attributable to the processing part of the operations, and the mining tax applies only to the mining part of the profits. That is assessed by the assessor, whereas under this logging tax there is no assessor. It is spelled out in the formula.

MR. WHICHER: In other words, the hon. Minister could tax the poor fellow some more if he wanted to.

HON. MR. PORTER: Which ones does the hon. member call poor?

HON. P. T. KELLY (Minister of Mines): I would just like to inform the hon. member for Bruce that 25 years ago, Ontario collected 100 per cent. of the taxes imposed on mines, and up to this year, the transition which has occurred in the last 25 years has meant simply this:

Eighty cents of every tax dollar imposed on Ontario mines has been going to Ottawa, and we are now receiving 20 cents on the dollar of the mining tax imposed throughout.

MR. WHICHER: What I suggest to the hon. Minister is that he collect all the taxes and look after the defence of this province, too.

AN HON. MEMBER: He might do a better job.

HON. MR. PORTER: I would like to know how they would handle the defence if they did not have some of the products of the mines.

Sections 1 to 3, inclusive, agreed to.

Bill No. 119 reported.

THE MINING ACT

House in committee on Bill No. 86,
An Act to amend The Mining Act.

Sections 1 to 21, inclusive, agreed to.

Bill No. 86 reported.

THE MINING ACT

House in committee on Bill No. 145,
An Act to amend The Mining Act.

Sections 1 to 4, inclusive, agreed to.

Bill No. 145 reported.

Hon. Mr. Frost moves that the committee rise and report progress.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole House begs to report it has come to certain resolutions and begs leave to sit again.

Motion agreed to; report adopted.

HON. MR. FROST: Mr. Speaker, tomorrow I propose to deal with the estimates of The Department of Highways and also second and third readings on the order paper.

As regards private members' resolutions or bills, any of them would be subject to call, but, particularly, resolution No. 3, standing in the name of the hon. member for York South; that is in relation to bursaries.

MR. MacDONALD: Will we finish the debate we were on today?

HON. MR. FROST: Does the hon. member mean the budget debate? I will give that consideration.

There will be a night session tomorrow night.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 11.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, March 28, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Thursday, March 28, 1957

Second report, standing committee on municipal law, Mr. Cass	1699
Report, standing committee on printing, Mr. Hunt	1699
Marriage Act, bill to amend, Mr. Frost, first reading	1700
Estimates, Department of Highways, Mr. Allan	1703
Factory, Shop and Office Building Act, bill to amend, Mr. Daley, second reading .	1729
Operating Engineers Act, 1953, bill to amend, Mr. Daley, second reading	1729
Municipal Tax Assistance Act, 1952, bill to amend, Mr. Warrender, second reading	1729
Milk Industry Act, 1957, bill intituled, Mr. Goodfellow, second reading	1729
Ontario Cancer Treatment and Research Foundation and Ontario Cancer Institute, bill to reconstitute, Mr. Frost, second reading	1729
Hospital Services Commission Act, 1957, bill intituled, Mr. Frost, second reading	1732
Department of Transport, bill to establish, Mr. Frost, second reading	1741
Succession Duty Act, bill to amend, Mr. Porter, second reading	1742
Ontario Municipal Improvement Corporation Act, bill to amend, Mr. Porter, second reading	1742
Recess, 6.00 o'clock	1745

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, MARCH 28, 1957

2 O'CLOCK, P.M.

And the House resumed.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. F. M. CASS: Mr. Speaker, I beg leave to present the second report of the standing committee on municipal law and move its adoption.

CLERK OF THE HOUSE: Mr. Cass presents the second report of the standing committee on municipal law, as follows:

Your committee begs to report the following bill without amendment:

Bill No. 170, An Act to amend The Ontario Municipal Board Act.

Your committee begs to report the following bill with certain amendments:

Bill No. 169, An Act to amend The Municipal Act.

Motion agreed to; report adopted.

MR. S. J. HUNT: Mr. Speaker, I beg leave to present the report of the standing committee on printing and move its adoption.

Mr. Hunt presents the report of the standing committee on printing, as follows:

Your committee recommends that the supplies allowance per member for the current session of the Assembly be fixed at the sum of \$50 and that, to meet the convenience of the members, a cheque for that amount be issued to each member of the Assembly in order that he may make the desired purchases in his own constituency.

And that an allowance be authorized and a cheque issued to each of the full-time daily newspaper representatives covering the present session of the legislative Assembly, as nominated by the press gallery and approved by Mr. Speaker.

Your committee recommends that copies of the *Canadian Parliamentary Guide*, *The Canadian Almanac* and *The Canada Year Book* be purchased for distribution to the members of the Assembly and also that each member be given a year's subscription to the *Labour Gazette*.

Your committee recommends that the following sessional papers be printed for departmental use and distribution:

Accounts, public	\$ 1,975
Agricultural College, Ontario, report	1,175
Agriculture, Minister's report	2,475
Agriculture, statistics branch, report	7,175
Auditor's report	525
Civil service commissioner, report	375
Education, report	1,375
Estimates	1,425
Highways, Department of	925
Labour, Department of, report	11,175
Legal offices, report of the inspector ..	675
Liquor control board, report	625
Niagara parks commission, report	575
Ontario northland transportation commission, report	185

Continued

Police, provincial, report of the commissioner	\$ 425
Public Welfare, Department of, report	1,325
Public Works, Department of, report	600
Reform Institutions, Department of, report	865
Reform Institutions, training schools	965
Toronto University, report	250
Veterinary College, Ontario, report	2,875
Workmen's compensation board, report	3,175

Motion agreed to; report adopted.

MR. SPEAKER: Motions.

Introduction of bills.

THE MARRIAGE ACT

Hon. L. M. Frost moves first reading of bill intituled, "An Act to amend The Marriage Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the purpose of my moving this bill, seconded by the hon. Provincial Treasurer, is this. Traditionally in this House, bills which affect other jurisdictions, other provinces and other governments are sponsored by the hon. Prime Minister. On this occasion, in dealing with the Six Nations Iroquois Confederacy, we felt it was better to keep matters on that diplomatic level, and therefore that is the reason I introduce this bill.

Of course, I present the bill in my official capacity here, but I want to declare to the hon. members of the House that I speak not only as the head of the government but as Chief Ganio-dia-io, Chief Handsome Lake, one of the Six Nations Iroquois Confederacy. I am almost taken back to my old Presbyterian days in Orillia when I remember hearing that passage about "I, Paul, Hebrew of the Hebrews."

I come to this House not only, as I say, as the head of the government, but as a member of that Confederacy. I must also declare this fact, that I am not

only a member of that Confederacy, but I am also a member of the tribe at Windsor, the Pottawatami, and also a member of the tribe of the Ojibways, of which tribe I am also a chief, and therefore I speak in a very broad capacity.

The purpose of this bill, if it needs clarification, is that it is a clarification of the amendment introduced in this House by the hon. Provincial Secretary just about a year ago. The terms of the amendment, according to the opinion which I have received on the amendment of last year, are not mandatory; they are permissive for the Indian citizens of this province to avail themselves of the terms of this amendment if they want to.

I have read the petition which was tabled on Monday by the hon. member for Brant, with your permission, Mr. Speaker, and the petition states first of all that the Legislature never should have passed such an Act. Of course, if the legal grounds are correct, if the Act were mandatory, there might be some validity to that point of view, but I am not passing on that at the moment.

The second was in the alternative to submit the matter under The Constitutional Amendments Act to the courts. I intend at once to surrender; I intend to make this perfectly plain — that the only point of issue in this matter is as to whether this Act is merely a matter of choice of being permissive or whether it is mandatory. For that purpose, the amendment adds a few words to what I might call the operative section of the amendment of last year to say that if in effect the Indian citizens desire to avail themselves of the Act, they may do so.

This bill will make it clear in a very few words that the Act is permissive. I point out to the House as a member of the Six Nations Confederacy, that there are many tribes of Indians in the province and many of our Indian citizens who are presently availing themselves of the Act. Those who avail themselves of the Act, in my opinion, are not jeopardizing their Treaty rights with the Ottawa

government at all, but are availing themselves of benefits without any obligation to themselves. However, that is a matter of choice and opinion and I have no desire whatever in any way, nor has any hon. member of the government, to impose anything mandatory upon our Indian citizens which might be contrary to their own conscientious beliefs arising out of their Treaty rights and arrangements which were made, I suppose, 150 or more years ago.

Those Indian citizens who want to use this are permitted to do so without any cost to themselves. This amendment makes it clear what the law officers have told me is already clear; that if they do not desire to avail themselves of it, there is no mandatory provision or implication in the Act whatever. It merely reduces it to this, that if they want to use this Act, as many of them are doing in many parts of Ontario, they may do so.

May I point out to the hon. member for Brant in speaking to that, and I understand the hon. member for Brant is also an Indian chieftain, but I do not know his Indian name —

MR. NIXON: I will tell the hon. Prime Minister that in a moment.

HON. MR. FROST: I have told him my Indian name and I would say to the hon. member that those who desire at Brantford to deal exclusively with the federal government, that is, of course, their full privilege, and we are going to assist them to the fullest extent to do that.

I would say to the hon. member, however, I think it would be well if he went to his fellow tribesmen in Ohsweken and told them that we are nice fellows in Toronto—as a matter of fact, we are nicer than they are down in Ottawa.

I think I should tell the hon. member for Brant and our fellow-tribesmen down there that they should really come down here, because this government wants to assist them to obtain family and welfare allowances, old age pensions and

various assistances without any obligation to themselves; and to build roads and schools to educate their children. However, if it is their desire to deal with those in Ottawa then, of course, we will assist them to do so and we will acknowledge the fact that they are entitled to do so if they wish.

That is the response, and I think it is a complete and practicable response to the petition that the Six Nations Confederacy tabled in this House last Monday. I would ask my friend, the hon. member for Brant, to convey to the Indians in the reservations the information that when they come here they get action. We do things. It is very seldom things are done in 3 days in governments, but we do just that. We acknowledge the problem and we meet the requirements of their demands on the highest diplomatic level we are able to do in this province.

MR. H. NIXON (Brant): Mr. Speaker, speaking not only as the member for Brant, which it has been my honour to represent on behalf of the Six Nations in this Legislature for 38 years, but also as chief of the Mohawks — Shadeghalenhees — which means "Trees of Level Height"—it also means we are all equal—but like the Irishman said: "Some are more equal than others." So that while I shall at any time contest my equality with my brother chief over there, on this occasion I agree entirely with the position that he has taken—that in dealing with other governments of equal status the legislation should be introduced by the hon. Prime Minister.

After receiving this petition from my people I put a notice on the order paper that I proposed to introduce a bill to amend The Marriage Act, and with the consent of the House I would like to withdraw that motion.

MR. SPEAKER: The bill is discharged.

Introduction of bills.

Before the orders of the day I would like to welcome to the assembly this

afternoon a large number of visitors. We have students from the Sudbury High and Technical School, Sudbury; Queen May School, St. Catharines; a group from the Toronto Western Hospital; a group from the Christian Brothers College in Scarborough; and a large group of ladies representing the Barrie Women's Progressive Conservative Association.

All these groups are here to view the proceedings of the House and we welcome them.

MR. D. C. MacDONALD (York South): Mr. Speaker, before the orders of the day I rise on what I believe can be described as a question of privilege.

On a number of occasions in this House certain hon. members—the hon. Minister of Labour (Mr. Daley) on one occasion and the hon. member for Kenora (Mr. Wren) on another occasion—have chided me and other hon. members of this group for being presumptuous in attempting to speak on behalf of labour in this province. As you know, Mr. Speaker, the Ontario federation of labour, now representing the merging of the former federation, and, therefore, speaking on behalf of all labour in this province, is meeting at the present time in the city. I would just like to read one paragraph of a news story recounting the developments of this morning:

The Ontario federation of labour today gave its overwhelming endorsement to the CCF party as labour's choice in the forthcoming federal election. Stamping, shouting and throwing paper streamers, the vast majority of the 707 delegates present voiced their approval of the resolution; only a handful opposed the decision.

HON. C. DALEY (Minister of Labour): I do not know if that should be brought before the orders of the day; it is not new. Labour's declaration that it recognized the CCF party was made many years ago. In spite of that when election day rolls along, Mr. Speaker,

that is when we find out just where labour stands.

MR. MacDONALD: Mr. Speaker, may I correct an error in what the hon. Minister of Labour has just given to the House. This is new. This is the merged federation which represents not only the former CCL, which, I acknowledge, has done that, but it represents also the former provincial federation of labour—the TLC group—which has been traditionally neutral in politics. I acknowledge what has happened in past elections, but in the fulness of time we will see what may happen.

HON. L. M. FROST (Prime Minister): May I say that we over here are going to endeavour to have, to enjoy and to deserve, the support of labour in the future as we have received it in the past.

MR. A. WREN (Kenora): Mr. Speaker, inasmuch as my name was mentioned in these brief remarks, I agree with the statement of the hon. Minister of Labour opposite that it is not new that labour has associated itself in its leadership, and some of its membership, with the CCF party.

As a matter of fact, in the area which I have the honour to represent I found, when I returned from overseas, that it had penetrated to the extent that the riding was represented by a CCF member. Although I had little or no means after I returned from overseas I made it my business, with the complete support of the working people in the riding, to change that picture completely; and I am quite willing at any time to meet any labour union in the province of Ontario, and certainly in the Dominion of Canada, and meet with the hon. member for York South on a public platform before them and debate labour's position any time he wants to.

In conclusion, Mr. Speaker, in this democratic free society that same situation developed many years ago, with working people associating themselves with a political party. I also would

suggest that in Great Britain today the leaders in the trade union movement, through their association directly with politics, make little more than a janitor would make in our country; and that is the kind of situation that the hon. member for York South would have develop here.

I would suggest to hon. members of this House that the individual member of the trade union movement is not the lout that some people might lead us to believe he might be.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: I move, Mr. Speaker, that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF HIGHWAYS

HON. J. N. ALLAN (Minister of Highways): Mr. Chairman, I am very happy at this time to present for the consideration and approval of this House what I believe to be two of the most important documents in the history of road building in Ontario.

The first is a plan for Ontario highways; the second is the proposed construction programme of the King's highways for the fiscal year 1957-1958, with which are included estimates for municipal and other subsidies administered by our municipal roads branch.

In the course of my remarks I shall also review the very considerable programme that has been achieved by The Department of Highways during the fiscal year just ended — a programme which includes not only the largest and broadest construction programme that this province has ever undertaken, but also developments in internal organization and procedures which have enabled the department to operate more effi-

ciently and more effectively than ever before.

I shall endeavour to be as brief as possible, but I shall not hurry, for there is much to be said, and the work of The Department of Highways is of concern to every citizen in our province. We are planning and building not alone for today but for the future, and they should know that we are planning and building well.

It is my belief that in the events of 1956 the development of our highway system in Ontario passed one of the most, if not the most, important mileposts in its history. Never before in more than a century and a half of road building in Ontario have we had such a conjunction of conditions conducive to highway planning and construction for the future.

In spite of the extensive system of highways now serving every section of the province there has been such an unprecedented increase in the volume of motor vehicle traffic that there exists a need for further modernization and, where necessary, extension of the King's highways. Again, as the result of the increase in the number of motor vehicles in relation to our total population, there is a general awareness on the part of all citizens of Ontario that this need exists and, even more important, there is a willingness that necessary action shall be taken. There is a growing determination that the traffic bottlenecks in our cities and on our heavily travelled rural highways must be eliminated and that our highways must be made as safe for traffic as it is possible to make them.

To meet these objectives and to assist in the planning and designing our highways of the future we have made studies which provide us with a greater fund of knowledge regarding the highways of Ontario, and their present and prospective use than we have ever had before. We are now, today, fully prepared to proceed on a King's highway construction programme for the next 20 years in accordance with a carefully

conceived plan. This plan is the combined work of all branches of our department and its conclusions have greatly influenced our policies for the past year. In effect, the construction programme for 1956-1957 and 1957-1958 are the initial stages of this plan in action.

At this same time our province has achieved its greatest population and the highest degree of diversified prosperity in its history. In spite of the other important demands upon the provincial purse it has been possible to provide a greater share of the provincial income for highways and municipal roads than ever before. Furthermore, this policy of the provincial government toward highway expenditures is one of economic necessity and far-sighted planning and is not in any degree a matter of political expediency.

In presenting *A Plan for Ontario Highways* I would like to emphasize that the information contained in the report and the resulting conclusions and recommendations are based on facts developed in the course of most intensive and thorough engineering and economic studies made for the express purpose of determining an overall, long-range plan for King's highway construction. It is our full intention to continue these studies to give effect to such changes of conditions in the future that cannot be anticipated at this time.

In my remarks I shall have reference to the introduction and summary of the "Plan" but I commend to hon. members a full reading, chapter by chapter, for there is a wealth of interesting information as well as statistical data which provides essential knowledge for the solution of our highway problem. We believe that it is in the public interest to make this knowledge available to the greatest possible number of our citizens.

The existence of an adequate network of roads and streets is of major importance to the economic well-being of Ontario. As traffic and other demands grow it becomes increasingly evident that many of our facilities are already

inadequate and will become rapidly more so unless the necessary steps are taken. Therefore, for the well-balanced development of Ontario's agricultural, industrial, recreational, mineral and other resources, as well as for the preservation of the vast public investment in a road and street system, it was recognized by The Department of Highways that means must be found for developing and maintaining an adequate system.

As a first step the department authorized the study of future needs on the major routes of the province — the King's highway system. These make up little more than one-tenth of the total mileage of roads and streets in the province, but carry close to half the total traffic. They are the roads that Ontario most depends on for free-flowing channels of motor-vehicle transportation.

The Department of Highways in its recent re-organization set up a planning and design branch. In May of 1955, its first director, Mr. W. J. Fulton (now Deputy Minister of the department), decided to conduct a comprehensive survey of the future requirements of the roads for which the department was responsible—that is, of the rural King's highway system, the secondary roads and the sections of King's highways in towns and villages of 1,000 to 5,000 population.

While the report was compiled under the direction of the statistics and economics section of the planning division, some 300 members of The Department of Highways staff contributed to its production. Assistance was also rendered by Automotive Safety Foundation of Washington, D.C., a non-profit organization devoted to the development of safety and efficiency in highway transportation. Valuable co-operation was received from other agencies and organizations including The Department of Economics of Ontario, Canadian Good Roads Association, Automotive Transport Association and the Canadian Pacific and Canadian National Railways.

The engineering analysis consisted of the following phases:

1. Study of the service performed by highways for agriculture, industry, and commerce within the province of Ontario.

2. Review of the historical development of roads in the province, including highway, legislative, administrative, and fiscal policies.

3. Study of the highway use characteristics, the selection of an adequate King's highway system, and the designation of these highways into classes.

4. Analysis of past and prediction of future traffic volumes and traffic patterns.

5. Determination of tolerable physical standards for existing roads and bridges, and on appropriate standards of construction.

6. Measurement of accumulated deficiencies in the existing highway plan by means of a complete physical inventory, and preparation of cost estimates for required improvements on the basis of the appropriate construction standards for each class of road.

7. Determination of general location and design of major new highway projects to service future traffic demands.

8. Determination of annual replacements required, as tolerable roads and bridges wear out.

9. Determination of annual maintenance needs.

10. Formulation of alternate, long-range programme for construction, replacement and maintenance of roads and streets.

The results of this factual study based on physical conditions that existed on April 1, 1956, is a King's highway construction programme looking forward 10 and 20 years.

It is hoped that the present report will provide the basis for a systematic, long-range planning of highway activities in Ontario, and assist in establishing effective fiscal and legislative policy

for highway development by the government of Ontario. At the same time it should reveal to the people of the province how essential it is that support be granted to the policies that the government of Ontario will have to follow in order to bring about the necessary improvements of their highways.

It is anticipated that as conditions in the province change, fresh appraisals of the problem will be carried out. This study, therefore, is only the first stage in a continuing process, and the techniques and principles followed will be refined and repeated continuously to keep current the planning activity of the department.

The pressing needs of other highways, roads and streets in Ontario, which come under the jurisdiction of the counties, townships, and urban municipalities, are also of prime importance in Ontario's plans. The provincial government bears a large share of the financial burden of these roads, which constitutes a large part of Ontario's total needs. The department plans, therefore, to extend its needs estimating to these roads as soon as possible, and to conduct studies similar to the one described in the present report.

Ontario, as we all know, is experiencing the greatest surge of population growth, motor vehicle use and prosperity in its history. Since investment in improved road facilities has not kept pace with the needs of mounting traffic, however, the province is faced with a highway problem of considerable dimensions. It should be met realistically and without delay, for the continued economic health of the province depends on a sound solution.

There is a direct relation between the level of economic activity and the volume of highway travel. Increasing industrial, agricultural and mining output, as well as expansion of commerce and tourism, are all promoted by highway transport. In turn, they generate new requirements for better highway facilities. The higher standard of living and more leisure made possible by ex-

panding production are reflected in increased motor vehicle ownership and travel.

This is strikingly borne out by the fact that in the past decade, motor vehicle registrations in Ontario soared 144 per cent., reaching a record high of 1.6 million in 1955 and since exceeded by the 1956 total of 1,708,000. This number is expected to rise to 2.7 million by 1965 and well over 4 million by 1975 when travel mileage will have nearly tripled.

Ontario's reliance on good roads is further emphasized in other ways. One is its strategic position with respect both to the rest of Canada and the United States. Another is the rapid trend of urbanization, since cities are the focal points of traffic generation and movement. Finally, the geographic distribution of people in the province poses a unique problem in providing adequate transport service. The densely settled southern region requires a closely-knit network of modern highways. At the same time, the widely dispersed population of northern Ontario also must be served.

Not only has road building in the province failed to keep pace with needs for many years, but the backlog of highway deficiencies has been increasing more rapidly during the prosperous post-war period. As the present study shows, a total of 5,400 miles on the King's highway system and secondary roads are seriously inadequate for today's traffic. To rehabilitate the highways of the province to a satisfactory level of service—including new construction, replacement and stop-gap work on roads and bridges—will require an expenditure of an estimated \$1.9 billion over a 20-year period.

Moreover, it must be remembered that—though not within the scope of this report—large deficiencies also exist on other segments of Ontario's 82,000-mile highway, road and street network. The traffic congestion in many urban areas, for example, testifies to this fact.

These mounting inadequacies spell heavy losses to the public, not only in

wasted time and fuel and excessive wear and tear on vehicles, but in life itself. Motor vehicle accidents have increased at an alarming rate, climbing from 17,000 in 1946 to 63,000 in 1955. In this same interval, annual traffic fatalities have increased more than 60 per cent. Highway accidents in 1955 alone cost the people of Ontario the huge sum of \$110 million.

Incentives for more and faster highway progress are, therefore, enormous.

Since the end of World War II, the provincial government has spent almost one-third of its total budget for highway purposes. Although special highway-user revenues have been increasing, the burden of the budget has been growing heavier due to a steady shift of mileage and fiscal responsibility from local to provincial government, larger municipal road subsidies, inflation and the higher design standards required for the greater volumes and weights of traffic.

These facts point up the need for stabilizing the highway systems for which the province is responsible, and for accurately measuring the future costs of development and maintenance of these systems. Only on such a basis is it possible to formulate firm fiscal policy calculated to meet present and future needs in an orderly and efficient manner.

Hence one of the main steps in this study was to create a functional classification plan, grouping those routes that are properly the responsibility of the province on the basis of service performed. With this plan as a foundation, a necessary degree of stability can be achieved in estimated programmes, finances and organizations—granting that changed conditions infrequently may require minor adjustments. Moreover, it will facilitate the primary aim of insuring that the King's highways provide a consistent level of service throughout the province and its subdivisions.

The complete King's highway system which has been selected, includes these 3 major classes:

(1) *Freeway highways*—totalling 800 miles of the most heavily travelled

routes, connecting metropolitan centres and serving as the backbone facilities for inter-provincial and international movement. This class carries 32 per cent. of King's highway travel on 9 per cent. of the system mileage.

(2) *Trunkline highways* — totalling 4,920 miles of routes handling relatively large traffic volumes and linking other big cities and important areas of the province. This class carries 50 per cent. of the travel on 57 per cent. of the system mileage.

(3) *Feeder highways* — totalling 2,880 miles of routes that, while not significant from the standpoint of system inter-connection, provide a desirable level of accessibility to King's highways in rural areas and at the same time serve numerous smaller communities. Feeder highways carry the remaining 18 per cent. of the travel on 34 per cent. of the mileage.

On the basis of this proposed system, plus other roads and streets for which the province is now responsible, a factual engineering appraisal of needs was prepared. The backlog of existing deficiencies was determined by evaluating highways, roads and streets against standards conforming to recommendations laid down by recognized highway research organizations—modified where necessary in line with experience and conditions found in Ontario. Deficiencies accruing within the next 20 years were determined with reference to estimates of traffic growth and the service life of present facilities. No road now affording at least tolerable service was listed as currently inadequate.

The analysis revealed that of the 8,600 miles of King's highways, 3,800 miles or 44 per cent. should have immediate improvement. A total of 2,390 miles, for example, was found deficient in surface condition. Lack of even tolerable capacity on 700 miles is resulting in jammed traffic. Insufficient shoulder width on 1,770 miles constitutes an accident hazard and limits driving efficiency; and so on.

Of the 1,284 bridge structures on the King's highways, 380 or 30 per cent. are deficient in point of width or load-carrying capacity.

As for secondary roads, fully 60 per cent. of the existing 2,400 miles are intolerable for reasons of insufficient width or poor surface condition.

It was stated previously that capital needs through 1976—on the classified King's highway system and other roads under provincial jurisdiction—add up to \$1.9 billion. Of that amount, \$782 million would go for backlog work needed now on 5,400 miles. Including maintenance and administration, the aggregate cost is \$2.7 billion, at 1955 price levels; municipal subsidies are not included. In mentioning the 1955 prices, experience is indicating that the increase in prices since 1955 may make our dollar for road construction this year only equal to 80 cents of the 1955 dollar. Therefore, perhaps a more realistic view of the mention of \$2.7 million would be to add one-fifth to that, which brings the amount past \$3.2 million.

Some 16 per cent. of the aggregate costs, including maintenance, is for secondary roads and other roads for which the province is responsible.

About 60 per cent. of King's highway construction costs are related to construction of 1,820 miles of divided multi-lane highways that should be built within 20 years. More than 620 miles of them are sorely needed now. It should be noted, however, that 75 per cent. of the King's highway system will still remain two-lane roads in 1975.

Especially significant is the fact that King's highway system total costs average 0.88 cents per vehicle mile over the future 20-year period, as compared with 1.3 cents in the past 18 years; per vehicle costs would total \$36 annually, as compared with \$46 in the past.

Naturally it is desirable to eliminate the accumulated highway deficiencies as soon as possible, but it would be wholly impractical to attempt to get the job done in a year or two.

Rather, the catch-up work must be spread out over a period of years, during which new needs will arise from increasing traffic demands and the wearing out of pavements. During this time, too, maintenance and administration will continue.

As a basis for legislative decision as to how fast it is feasible to carry forward the work contemplated in this report—and how much money should be spent each year—3 alternatives are suggested: a catch-up period of 10 years, another of 15 years, and another of 20 years as shown in the following summary table:

ANNUAL COST OF ALTERNATIVE PROGRAMMES

(thousands of dollars)

	<i>Catch-up period</i>		
	<i>10 Years</i>	<i>15 Years</i>	<i>20 Years</i>
King's highways	\$149,162	\$125,891	\$112,545
Urban King's highway sections	3,996	3,183	2,867
Secondary roads	30,275	24,544	21,510
Totals (per year)	\$183,433	\$153,618	\$136,922

Over 20 years, total expenditures would be nearly the same whichever programme was selected, but, of course, the valuable benefits of improved roads would be available much sooner with a shorter catch-up period. Best for the province would be the 10-year period. That means acceleration of annual expenditures above the 1955 level of about \$121 million (including trans-Canada federal share) would be desirable and necessary. None of the figures includes any estimate for municipal subsidies.

The engineering appraisal has marked out the broad outlines of a long-range highway programme and has developed a general plan for specific road improvement. Further by arraying backlog projects in order of rated adequacy and cost of improvement, it has provided a systematic, uniform basis for determining projects of greatest urgency. In this way short term work programmes have been obtained.

In conclusion, this report makes available for the first time a true picture of the costs, present and future, entailed in

the proper development and maintenance of a logically selected system of King's highways and of other roadways of direct provincial responsibility. It furnishes a sound guide for action needed to attain the highway adequacy essential for a dynamic economy.

I might mention as a further word of explanation that this is, of course, an engineering study of the roads in our province in which the engineers were given a very free hand, and there has been no attempt in the plan that has been set forth to indicate in detail the financial programme of any year. Hon. mem-

bers will notice there are no highway numbers; the maps indicate the need of an area more than they do the individual road that is going to be built. There has been no thought given to routes in connection with this plan, but rather a study has been made which will point up the needs and will indicate the amount of money that can be apportioned to this work each year. It is hoped that will give us all the information and enable us to develop a programme which is going to serve a growing province.

It is true that this programme will be as true that this programme will be changed often and perhaps very soon; shifts of population, needs for industrial centres and many other things can influence the development of this road policy. However, we do feel in this plan that we have something that is going to be tremendously helpful to our department in planning a system of highways that will adequately serve the people of this province.

In proceeding to say something of the work of our department during the

last year and of our plans for the coming year, I will not say anything more about that plan just now.

The proposed construction programme for the King's highways and secondary highways for the fiscal year 1957-1958 and the municipal roads programme for the same period will be given to each hon. member a little later on. I will be glad to discuss any detail of these programmes, in due course.

Before I deal with the estimates for 1957-1958, I wish to review the progress that has been made in The Department of Highways during the past year. This progress does not consist solely of the number of miles of road constructed, of structures completed and of maintenance work done although all that has been most substantial. The progress also includes the culmination of plans and work initiated in previous years and of new work started which will enable the department to do greater and better things in the years to come.

To provide a background for discussion of our 1957-1958 programme I am now going to refer to developments in the department during the past year. The department has three main functions: (1) the construction and maintenance of King's highways and secondary highways; (2) the supervision of subsidy payments to the organized municipalities through the municipal roads branch; and (3) the licencing of motor vehicles, the issuance of permits to drivers, and various other important activities of the motor vehicles branch.

The past year has been a record year and a year of sound achievement for The Department of Highways. I do not believe that the solid progress made can be fully measured in dollars and cents but the fact is that we will have spent about \$203 million as compared with \$158.8 million in the previous year and \$45,758,000 10 years ago. Of our total expenditure in 1956 one-quarter, or over \$51 million was paid in subsidies to the municipalities and for development roads. The total spent on highways,

rural roads and urban streets by all authorities was well in excess of \$250 million.

Mr. M. A. Elson, who was appointed Deputy Minister of the department in May, 1954, resigned effective March 1, 1957, to accept the offer of an executive position in the heavy construction industry. Mr. Elson made a valuable contribution to the department during his term of office and his services are certainly very much appreciated.

As I have already stated, Mr. W. J. Fulton was appointed to succeed Mr. Elson. Mr. Fulton has had an outstanding career in the department since 1921. He has been chief of surveys and more recently director of planning and design. The plan for The Ontario Department of Highways was prepared under his direction and he is highly qualified to fill his new appointment.

At December 31, 1956, The Department of Highways had 10,943 employees of whom 8,230 were employed in our 18 districts throughout the province and 2,713 were attached to head office staff which plans and directs all operations of the department and includes the motor vehicles branch. The total number of employees increased to some extent in 1956 as might be expected with the greater volume of work to be done but there was no great seasonal variation during the year. Of the total, 2,586, or 23.6 per cent., consists of established and unestablished labour on district staff which is paid on an hourly basis and which is engaged on maintenance and construction work done directly by the department.

We have 2,540 engineers and engineer's assistants who comprise 23.2 per cent. of total department staff. I cannot speak too highly of the work done by this technically-trained staff without which modern highways could not be designed and constructed or even maintained. We are fortunate indeed to have on our staff a large number of dedicated men whose life work has been devoted to the improvement of our highways system. We need more of them and we be-

lieve that the future development of our highways offers great opportunities to young graduate engineers and to graduates of our high schools and technical schools who wish to specialize in various phases of engineering work. The problem of recruiting and retaining the highest engineering knowledge is one that has given us serious concern. We have a record volume of essential highway construction already under way and planned, but the scheduling, extent, efficiency and economy of this work depends on our having sufficient staff.

To meet this problem we are taking positive action with a considerable measure of success. We are using our present engineers to the best possible advantage on work that makes full use of their engineering training and experience. We are making every effort to recruit engineers graduating from Canadian universities and others with requisite training who have recently arrived in Canada. Last September we advertised in the British Isles for engineers and other technically trained men and were successful in securing over 60 men who will be available to us during the coming construction season.

We are now using modern electronic computers to handle the arduous and lengthy calculations that are involved in modern highway and bridge design. This is the first use to which such computers have been applied in highway engineering in Canada. We are investigating the full possibilities of using such equipment for other engineering work as well as for financial and other statistical work.

Early in 1956 we initiated special training courses and on-job training for The Department of Highways personnel for the purpose of upgrading technical assistants to positions of greater responsibility and reward. A total of 17 such engineering courses were held with a total attendance of 435 students. This work will be continued in 1957 and expanded when more adequate training facilities become available as the result of plans and proposals which have already been made.

When we establish a permanent training school we intend to offer students with grade XII standing a 5-year programme of practical training in the field combined with periodic classroom instruction and progress examinations leading to qualifications for the responsibilities of a construction supervisor. We also are arranging with Ryerson Institute of Technology, Toronto, for a course in highway engineering for students with grade XIII standing who, for some reason, are unable to complete a full university course in engineering.

Now a word about highway research. In 1956 we provided \$85,000 for the first year of a joint highway research programme in co-operation with the University of Toronto and Queen's University. These universities have started basic studies on highway construction and maintenance materials and will make fundamental investigations which, we hope, will lead to more economical design, construction and maintenance of highways.

Highway traffic, safety, economics and administrative problems also will be studied. As Principal W. A. Mackintosh of Queen's has so ably said: "The pressure on the highways system requires the assistance of all who are able to help. The development of research in the universities will stimulate and expand both studies and teaching in highway engineering and will direct the attention of students to the importance of urgent engineering problems which are involved in the great expansion of our highway system."

During the past year the department has introduced a series of revised or new procedures carefully designed to ensure that the great volume of contract work let out by the department will be handled in a most business-like manner both from the standpoint of the individual contractor and the department. It is our desire to give every contractor who is equipped, capable and willing to conduct his work according to the requirements of the department an opportunity to bid on any contract without fear or favour,

let or hindrance. We ask only that the work be well done and done on schedule.

To assist contractors in their bidding and to complete their work most efficiently and economically our planning and design branch and our contract department prepare plans and do pre-engineering well in advance of the calling of tenders. We have made great progress in this direction. We hope to have our 1958-1959 programme completely, or almost completely, set up within two or three months. Our proposed construction programme for a given year is made available in detailed summary well in advance of the working season. Tenders are opened in public under procedures that are generally considered to be models of fairness to all parties.

We have further reduced security deposits and speeded the return of deposit cheques. We have reduced hold-backs from 15 per cent. to 10 per cent., speeded progress payments and have reduced the time taken to finalize contracts.

We now permit contractors to withdraw unwanted bids because we would rather have a contractor do one job well with profit than spread himself too thin, and not complete his work according to schedule.

To understand what is meant by that, if a contractor bids on 5 jobs, and at the opening might obtain the first one, or the first two, which he is capable of undertaking, then we permit him to withdraw his bids on the other contracts which will be opened at that time.

Every project on which the department calls tenders is part of a long-term, overall plan designed to meet specific needs and each project has some good reason for having a priority. When completion dates are not met the overall plan is affected, there is increased expense to the department and inconvenience and loss to the motoring public.

We do not want to exact penalties for work that is not done on time but we must have our contract work done on time. We want to accept the lowest bid on any project but on the larger, top-

priority projects we must be assured that the contractor is financially and technically capable of performing the work. These are requirements usual in private business and we see no reason why they should not also apply on government highway contracts.

I might just say a word at this time to indicate the quite satisfactory manner in which contracts are being completed. We have not reached the level which we would like to reach, but there has been a very great improvement, and many contractors are doing an excellent job in connection with their contracts.

With these considerations in mind, we have introduced two new provisions in contracts for priority work.

The first of these is a liquidated damages clause which provides that if the contractor fails to complete his work within a practical number of working days stipulated damages will be charged to the contractor by the department for every day that the work is overdue.

I might just explain the meaning of that. The damages represent the cost of our engineering—the servicing—of that contract—our engineering services in connection with that contract. This charge is not a penalty, and it is based on the number of working days. If the weather is bad, and the contractor is not able to work, that is taken into account. When a contractor accepts a contract, he agrees to complete the work within a given number of working days.

We have tried this on one contract last fall and the results were so encouraging that we are now applying it to the section of the trans-Canada and highway No. 401 where it is so very necessary that each section be completed on time. If one contractor should fail and be away behind the other sections, it prevents the use of the entire road.

We find that it does not seem to increase the cost of the contract. We make the number of days reasonable—very reasonable—and if the contractor is in a position to do the work and apply himself, he should have no difficulty at all about pre-qualification.

We are planning to introduce a system for pre-qualification of contractors bidding for larger highway construction contracts. This is a new measure of contract control designed to ensure that contractors who are permitted to bid are financially and technically capable of performing the work within a specified time.

While, in general, we are bound to accept the lowest bid on any contract providing that the bid is within the department's own estimate our experience is that the lowest bidder may not have the resources to perform the work to our satisfaction. We have received outside advice, with which we concur, that the most effective solution is a system of qualification of contractors. Our objective, which is supported by the Ontario Road Builders Association, is to differentiate, on a non-discriminatory basis, between the responsible and the irresponsible bidder.

Pre-qualification will be necessary for contractors bidding on grading contracts of over \$200,000, paving contracts over \$150,000, grading and paving contracts over \$300,000 and structure contracts over \$100,000, excluding those for the supply, erection and painting of structural steel.

Pre-qualification procedures will not be applied on contracts for the trans-Canada highway since this is a national project and such procedures are not as yet in effect in other provinces.

We believe that the fair procedures that we have introduced in the handling of contracts will encourage rather than discourage competitive bidding on our numerous projects.

A word about traffic studies. The more knowledge that we have of the volume of motor vehicle traffic using our highways and the origin and destination of this traffic the better we can determine construction priorities and estimate the future highway needs of the province. To that end the traffic section of the department made some 13,250 24-hour traffic counts during 1956 as compared with 300 made in 1944 and 2,400 in

1947 when the first real attempt was made at province-wide coverage. At 13 key points a full count is made for every hour and day of the year. In other cases periodic 5-day, 2-day and one-day counts are considered adequate.

In addition to the normal traffic counts, 125 origin-destination surveys were made and a special study was done on the Toronto by-pass section of highway No. 401.

Most of us have seen pictures in the paper of the traffic that is held up by an origin-destination survey. May I say that I think perhaps if our motorists understood them, they might be a little more patient because it is quite possible that as a result of these origin-destination surveys those same motorists may be saved a very great deal of time because of planning which will be done as a result of the surveys.

It is our intention to maintain, and increase if necessary, the number of traffic counts and origin-destination surveys in future years. However, with the experience that we have already gained, the application of scientific statistical methods and the use of modern computing machines, we are able to analyze the results of our field work more quickly and to better advantage for use by our planning and design experts.

I might add that during 1956 we made 300 one-day counts on county and township roads. During 1957 we will make an inventory of these rural roads which will entail a number of traffic counts running into the thousands.

As one of the important functions of our traffic section we make an analysis of all accidents that occur on the King's highways. We know where, when and how these accidents occurred. We know the number of fatalities, and injuries and the amount of property damage for each section of the King's highway over a period of several years. This information is related to traffic volumes and it is used to design and construct highways that provide a much greater safety factor for both the motorist and the pedestrian.

I might say a word about level crossings. Definite progress has been made during the past year in the reduction of the number of fatalities and fatal accidents at grade crossings at railway tracks on King's highways. There are 421 such crossings on King's highways, a rather small number when compared with the total of 7,926 on all highways and roads in the province. The department, of course, can take action only with respect to King's highways and we are dependent upon authorizations made by the board of transport commissioners. During the year the board authorized protection for 32 level crossings, the cost of which was shared by the board, The Department of Highways and the interested railways concerned.

I would just like to acknowledge the excellent co-operation that we have had from the transport board in this connection.

There are relatively few fatal accidents at railway crossings in relation to the total fatalities resulting from highway accidents. In 1956 there were 9 fatalities on King's highways resulting from motor vehicles and train collisions, and these amounted to only 1.47 of the total of 610 fatalities on King's highways. The 1956 record compares with 22 fatalities and 14 railway crossing accidents in 1955, and 8 in such accidents in 1954. We will continue to eliminate dangerous railway crossings wherever possible and to protect others with sufficient signals as authorizations are received from the board of transport commissioners.

I will give just a few highlights of our construction programme in 1956 and 1957. We paved 497 miles of two-lane highway with hot mix, 42 miles of 4-lane highway with hot mix; and 26 miles of 4-lane highway with concrete; 213 miles of pavement was resurfaced; 149 miles of highway was mulched or surface treated; and we constructed 57 new bridges.

Important projects completed during 1956-1957 include extension of our 4-lane, controlled-access highways, more work on the trans-Canada highway, an

increase in the number of bridges and general improvement of the King's highways through numerous construction projects and a high standard of maintenance.

In the Kenora district an exhaustive study has been under way the past one and a half years to secure information for the best possible design for the construction of a causeway across 3 miles of Rainy Lake east of Fort Frances. This will be the commencement of a very important link in the highway system in this area, which will connect Fort Frances, Atikokan and Fort William, and open up vast territories for industry and the tourist trade. The work is now in its final stages of design and should commence early in this coming season of work.

In the Fort William area, the main construction is on the huge trans-Canada highway programme with focal points at Fort William and White River. To complete this work by early 1961, as agreed with the federal government, it has been necessary to put forth every engineering effort to prepare the work. Many difficulties were encountered from the very rough terrain and muskeg areas as well as in securing staff to work in this remote area. We were able, however, to supplement the wages by isolation pay and to keep the work up to schedule. All work will be under contract by the end of this coming work season.

One of the main difficulties in the area is the construction of bridges over very poor soils and the design of structures has been very complex. A point of interest is the Little Pic River bridge, some 25 miles west of Marathon, where poor soil was encountered, and it was a question of whether the location of the road would have to be changed or a very expensive structure designed. Our consultants recommended the utilization of a unique method known as "electro-osmosis" treatment of the soil and to date the method seems to be working out very well. It is the first time in Canada that this system of soil treatment has been used, and one of the first on the continent. If this treatment works out

as is expected, it will mean a saving of well over \$750,000. The method might be briefly described as electrolysis between water and the soil where by the use of electricity the water is attracted to a well point and pumped out of the soil, leaving the soil stable and firm.

Quite naturally, I am not an authority on this, but I am told it is silty soil, and these very fine particles have such a tremendous attraction for water it is very difficult to get the water away from the particles of soil; so by having the two points, the negative and the positive and circulating electricity between the two, that has the effect of loosening the water from the surface tension of the soil and as a result water flows to the point and is pumped out.

In the Cochrane district a stepped-up programme of construction has been going on for the past two years between Nipigon and Cochrane, some 400 miles, where there is a gap of gravel road on which there is ever-increasing truck travel. In the past two years an asphalt plant, owned and operated by the department, has constructed approximately 65 miles of pavement on the gravel stretches. This work is to be continued until all the gravel within the 400 miles has a paved surface. This is a difficult area with long stretches of muskeg and clay and construction is expensive and difficult.

In the same area, a new bridge over the Mattagami River at Smooth Rock Falls is under way and should be completed in approximately one year. The calling of this new bridge is not too soon, as in the past 15 or 20 years The Department of Highways has been using the dam of the Abitibi Paper Company as part of their road system and this was quite adequate until the increased truck traffic made it apparent the dam would not be able to carry the extra heavy loads. As conditions became critical the department had to construct a temporary bailey bridge 530 feet long, by 60 ft. high, and did it in a record time of approximately 6 weeks. This temporary

bailey bridge, the largest in Ontario, will also enable the construction of a new bridge and relieve the slab over the dam of possible damage.

In many areas in the north, a number of access and mining roads, as well as highways, were undertaken in order to accommodate the fast growing mineral discoveries. Of two of these highways which come to mind, one is the Quirke Lake road, 26 miles north of highway No. 17, close to Blind River and running north to the uranium mines in this area. The 26 miles through rough country was built in the record time of one season and is now in operation. That was a very difficult piece of construction, and the contractor in charge of that work deserves commendation for the speed with which that road was constructed, which is an indication of the need for roads in this area.

I was informed that when the uranium mines were working to capacity, a full truckload of sulphuric acid would pass over that road every 15 minutes, 7 days a week. The road has not been paved and the hon. members can understand that it is necessary that it should be paved. This area was bush and rocks one year ago, and in two years we will have built the pavement and will be carrying traffic as I have just indicated.

This also applies to 5 miles of road in the vicinity of Bancroft, known as the Bycroft road, to serve the Bycroft uranium mine. That is the road on which we applied liquidated damages to the contract, and where it worked so very well.

The main construction in the Chatham area, of course, was the opening to traffic of 26 miles of concrete pavement on highway No. 401. The contracts have been let for the entrance to Windsor, which will connect with these 26 miles. Practically all that remains, and has already been awarded, is the paving of this entrance, which consists of 7 or 8 structures over railways, etc. When in operation, the work will be a great help to traffic conditions in this area.

Highway No. 401 by-passing London, Woodstock and Ingersoll, is practically completed, and would have been opened late last fall, but owing to certain small details, it was felt it should be left until later in the interest of safety. The by-pass will be opened to traffic prior to June 1st of this year.

The Burlington bridge, of course, is the most important construction work, along with the approaches and the necessary structures for the approaches, that is going on in this area. The last contract for the bridge itself has been awarded and remaining contracts on the approaches will be awarded later this year. There was a 4 months' delay due to the steel strike, but it is expected that the bridge and its approaches will be open to traffic in July or August, 1958.

Two important structures, one complete, and another under way, on the Queen Elizabeth Way at St. Catharines, will eliminate two very dangerous intersections. A study will be made on the Welland ship canal to see what type of construction is necessary at this bottleneck—a tunnel or a bridge.

The completion of the Toronto by-pass and the opening of the last section in August, 1956, was a great help to traffic conditions in the metropolitan area. Commencement of highway No. 401 towards the London by-pass has been made with two contracts west of highway No. 27, to highway No. 10. All the necessary structures have been awarded to contractors, and are now under way. These two also have liquidated damage clauses.

Further contracts are to be called this coming construction season, westerly, so that this connection will eventually skirt the industrial centres of Paris, Guelph, Hespeler, Preston, Galt, Kitchener, Waterloo and Woodstock, and tie up with the London by-pass. It will then relieve the Queen Elizabeth Way traffic, and also serve the traffic needs in the industrial area referred to.

Two very important interchanges were built at the Orillia by-pass on highway No. 11—one at highway No. 12,

and one also on highway No. 11, and two more are being built. These should greatly relieve the summer traffic going north. The conversion of the Queen Elizabeth Way into a controlled access highway continues, with important structures under contract to eliminate dangerous intersections.

The department is constructing that part of the work west of the Humber River which, when completed, will eliminate possibly the worst bottleneck in Canada. The department is doing 100 per cent. of this work, which includes a new bridge over the Humber River. The metropolitan roads commission is constructing the east side of the Humber River, which connects with the Toronto expressway, and for which the department is paying 50 per cent. of the cost. All contracts have been let for the completion of the west side, which is the part the department is responsible for, and every effort is being made to have this work completed in the shortest possible time.

No doubt many people wonder why it was not completed earlier, but great care and detail had to be taken to safeguard the traffic, when 50,000 vehicles per day are concerned.

One would really have to look at the maze of plans and traffic flow charts to appreciate this tremendous task of building such intricate interchanges still carrying 40,000 to 50,000 vehicles per day throughout the construction. Better that it take a few months longer than rush the work beyond the safety limits, which might result in death and injury to the travelling public.

Now a word about the 1957-1958 estimates. For the fiscal year ending March 31, 1958, it is estimated that total expenditures in The Department of Highways will amount to \$234,315,000 as compared with the estimated expenditures of \$203,868,000 for the year ending March 31, 1957.

MR. OLIVER: What were the actual expenditures?

HON. MR. ALLAN: Does the hon. Leader of the Opposition mean for the closing year?

MR. OLIVER: Yes.

HON. MR. ALLAN: Those are the actual figures.

MR. OLIVER: The hon. Minister said "estimated."

HON. MR. ALLAN: I should have said "actual expenditures."

MR. OLIVER: Very well.

HON. MR. ALLAN: For the coming fiscal year, the net capital expenditures are estimated at \$160,669,000 as compared with \$135,865,000 for the year just ending. Ordinary expenditures are estimated at \$73,646,000 as compared with \$68,003,000.

Of the total estimated expenditure of \$234 million-odd, new construction will account for \$130,734,000 with which I will deal shortly.

Maintenance of King's highways, development roads and administration of the department will account for \$46,-896,000. Repaving of present roads will be \$3,500,000, and \$2,200,000 is provided for payments out of the unsatisfied judgment fund. I think the hon. members will understand that is really a cross-entry as the money comes into the fund from the dollar collected from each driver.

An amount of \$59,985,000 is provided for capital and ordinary expenditures as administered by our municipal roads branch and most of which is payable in subsidies to some 1,400 organized and unorganized municipalities. It is understood that \$9 million will be recoverable from the trans-Canada highway agreement and the St. Lawrence seaway project.

I have already stated the proposed construction programme on the King's highways and secondary highways for the fiscal year 1957-1958 will be placed before each of the hon. members of this

House. The gross expenditures contained therein will be included under vote No. 605, items one and "S" which will be considered in due course.

The programme is made up of highway construction work in progress as of March 31, 1957, and new projects which are scheduled for the coming fiscal year which ends March 31, 1958.

A brief summary of each project is given under the heading of The Department of Highways district in which the work will be done. I will not go into detail on individual projects at this time, but I would like to place the introduction to the programme on the record with some additional remarks at various points.

The proposed gross expenditure of \$130.7 million covers the biggest new construction programme in the history of The Department of Highways. The 1957-1958 total compares with gross expenditures of \$71.7 million in 1955-1956 and \$108.8 million in 1956-1957 and represents an increase of 82 per cent. in two years.

The necessity for this phenomenal increase has been made abundantly clear by the highway needs study to which I have already referred. This study, which has been based on sound engineering principles and methods, reveals that a gross expenditure of \$130.7 million is required not only for the coming fiscal year but for every year for the next 20 years. It is an expenditure that we must maintain, if the demands made by an ever-increasing traffic problem are to be reasonably met.

The 1957 programme can be considered as consisting of two main components: carry-over from 1955-1956, and 1956-1957, and proposed new work.

The carry-over forms by far the largest portion of the programme, having a total estimated value of \$93 million. This is based on contracts let, and projects and other work approved by the department. However, it is estimated that of this \$93 million, the actual expenditure will be \$65 million,

with the balance being carried over once more into the 1958-1959 fiscal year.

In other words, the carry-over will constitute 65 per cent. of the total allotment for this fiscal year.

That larger carry-over, of course, is, to quite an extent, the result of our letting contracts in the winter. That is the work for the coming year, and the contracts which have been let this winter, and which have not been started, are included in this carry-over.

May I say, in regard to proposed new work, that, although this portion of the programme has a total value of \$103 million, due to the large carry-over it will be scheduled in such a manner so as to effect an actual expenditure of \$35 million, or 35 per cent. of the total amount of money to be spent.

The proposed new work can be broken down into 6 components: highway No. 401; trans-Canada highway; Queen Elizabeth Way; St. Lawrence seaway; other King's highways and secondary roads; and other work that will be approved by the department.

Highway No. 401 needs an accelerated programme; the great need for this cannot be over-emphasized. The highway routes used at present that will be relieved by highway No. 401 are being called upon to carry traffic in excess of their capabilities, with certain sections carrying as much as 3 times their capacity.

In view of this, an accelerated construction schedule is required which will provide a completed link from Windsor to the Quebec border as soon as available staff and funds will permit.

The proposed new work for this fiscal year calls for 38 miles of grading, 32 miles of paving, and 28 structures, at a total estimated value of \$19 million.

As hon. members know, highway No. 401 is our most up-to-date concept of a modern controlled-access highway to span the 505 miles from the Quebec border to Windsor and Detroit. It will be a divided, multi-lane highway on a

300 foot right-of-way which will serve our heaviest inter-urban traffic, and yet by-pass cities and towns along the way so that traffic can proceed smoothly, without interruption, and with a maximum of safety.

This is the largest single highway project that any province has ever undertaken. To date, some 167 miles have been completed.

All surveys for highway No. 401 have been finished, and alignment of the entire highway has been determined except for details in a few short sections. Purchase of the right-of-way entails some 9,000 real estate transactions, but 90 per cent. of the properties have been acquired, and settlements have been made for the majority of these properties.

Every mile of highway No. 401 presents its own particular problems of design and construction. We must be sure that our pre-engineering is sound, that there are contractors who can do the job as it must be done, and that there are dollars available to pay for the work.

While completion of highway No. 401 is our largest single project and has been given a high priority, we cannot allow it to take full precedence over work that is necessary in other parts of the province. Accordingly, highway No. 401 is being constructed in sections, each of which is a complete entity in that it joins two existing King's highways and can be put into service as soon as it is completed.

Priority is given to these sections on the basis of the amount of relief afforded for traffic congestion on other highways. Our present planning schedule provides for the last section of highway No. 401 to be paved and opened to traffic in 1967.

However, we are doing our utmost to advance the date of completion and, as conditions permit, we will start work on more critical sections ahead of schedule.

Regarding the trans-Canada highway, according to the present arrangements the agreement between the province and

the federal government will terminate March 31, 1961. The federal government agreed to pay 90 per cent. of the cost of 10 per cent of the province's mileage, provided this 10 per cent. is spent in closing the gap in the route.

Since Ontario has 1,410 miles of trans-Canada, we will receive 90 per cent. of the cost of 141 miles, which is about the length of the gap in our province. In order to be eligible for this 90 per cent. payment, we must spend an additional amount outside the gap this year.

In order to carry out this programme by March 31, 1961, the department will have to start work this year valued at \$25 million. The \$25 million of new work is made up of \$6.6 million to close the gap, and \$18.4 million outside the gap.

New work involved on the Queen Elizabeth Way is a continuation of the overall plan to convert this highway into a fully controlled-access highway. It is a tremendously important project, in view of the fact that it is the most consistently heavily travelled highway in the province.

In order to eliminate direct access to the highway, intersections at grade, traffic signals and consequent delay, and a substantial accident experience, the work involves the closing of roads, and the construction of service roads, traffic interchanges and overpasses, amounting to \$3,375,000, for this fiscal year.

I might tell hon. members of our experience as a result of the closing of one cross-road on that highway—the last 6 months of the year 1955. When it was still open we had 87 accidents at that intersection. We closed the left-hand lane and accidents were cut down to 28.

When one realizes the accident record of these controlled-access highways—the fatality record is about one-third of that on an ordinary highway—one can see how desirable it is to control the access completely on this road.

The St. Lawrence seaway section requires that the remainder of the work

be started at the present time, so that when the project is completed, which is estimated to be in 1958, a complete relocation of highway No. 2 will be provided from Cornwall to Iroquois.

This year, the final phase of this relocation will total \$900,000, which will be reimbursed 100 per cent. by the Ontario Hydro, as will the entire cost of the relocation of highway No. 2.

Other King's highways and secondary roads involve by far the greatest problem. This is indicated by the fact that 48 per cent. of the proposed new programme falls in this section, involving some 338 miles of grading, 382 miles of paving, and 57 structures totalling \$50 million. Worn-out roads, overly congested roads, and unstable and accident-prone structures are the main factors creating this problem.

There are other projects not included in the detailed list. Such construction projects will be work that the department will approve during the coming fiscal year. It is estimated that the value of such projects will total \$5 million.

Now a word about Ottawa's Queensway limited-access highway:

Quite recently the department has completed and signed agreements for financing and ultimate construction of the Queensway limited-access highway which will form part of the trans-Canada highway and will pass through the city of Ottawa. This is a 4-way agreement to which the department, the government of Canada, the city of Ottawa and the federal district commission are all parties. The Department of Highways will have oversight of all engineering necessary for design and construction.

The Ottawa Queensway project comprises 10 miles of 4-lane controlled-access freeway between the eastern and western limits of the city. This is the first undertaking of its kind in the province, in that it will pass through the heart of a large metropolitan area. The project is designed to handle traffic conditions up to 1980, when Ottawa is expected to have a population of 400,000.

Some 34 structures will be required, and these will represent over one-quarter of the total estimated construction cost. There will be no access from the city to the freeway except at controlled intersections where there will be interchanges.

It is proposed to complete this project in 4 stages within a 10-year period.

Rideau River. Construction must await changes in present railway facilities, but when stage 4 is completed the Queensway will be opened as a modern freeway providing unimpeded traffic across the nation's capital city.

Our proposed construction programme for 1957-1958 will involve expenditures as follows:

CONSTRUCTION PROGRAMME FOR FISCAL YEAR 1957-1958

Carry-over

Total value of carry-over	\$ 93,000,000	
Estimated expenditure		\$ 65,000,000

Proposed new work

Total value for highway No. 401	19,000,000
Total value for trans-Canada highway	25,000,000
Total value for Queen Elizabeth Way	3,375,000
Total value for St. Lawrence seaway project	900,000
Total value for other King's highways and secondary roads	50,000,000
Total value for other projects	5,000,000
Total value	<u>\$103,000,000</u>

Estimated expenditure directly in road construction	35,000,000
---	------------

<i>Engineering</i>	7,742,000
<i>Services</i> (Land survey and acquisition)	22,992,000

TOTAL ESTIMATED EXPENDITURE	<u>\$130,734,000</u>
-----------------------------------	----------------------

Engineering design is now under way on the first stage, which consists of 1.7 miles from the eastern limit of the city to the Rideau River. Work will start on this section in 1957. At its eastern end, the Queensway will connect with trans-Canada highway No. 17, which will be continued west from Green's Creek.

The next or second stage will consist of 3.8 miles from the west city limits to Carling Avenue and Kirkwood Avenue.

Stage 3, the 3.2 miles from Carling Avenue to O'Connor Street, is the most costly, and also the most essential section of the project, since it will accommodate maximum traffic volumes through the most congested areas of the city. Unfortunately, more time is required to secure necessary right-of-way for this section, but construction will start as soon as possible.

Stage 4 will consist of the remaining 1.3 miles from O'Connor Street to the

MR. MacDONALD: Would the hon. Minister state what is the estimated time of completion of that schedule?

HON. MR. ALLAN: The fly in the ointment is that the railroads have to move out; it depends on when they move out. It is felt we could finish construction in 6 or 7 years.

The toll roads committee report is a very comprehensive one, on a very difficult subject. It was presented after a very thorough investigation during the past year by the select committee on toll roads and highway financing, under the chairmanship of hon. Mr. Robarts (London North). The conclusions and recommendations of the committee will be given every consideration and study by the department.

Most of the hon. members of this House are familiar with the method whereby aid is extended to the munici-

palities and unincorporated areas of the province for the maintenance, improvement and construction of roads which are under their respective jurisdictions.

Most of the assistance is in the form of subsidies on expenditures made by the municipalities but, in addition, there is provision for aid on a 100 per cent. basis for roads in the unincorporated townships of the north, and for designated roads in incorporated areas where it would be beyond the financial resources of the local residents to bring about the desired improvement and new construction.

The total of the estimates for municipal roads during the coming year has been increased by \$3.6 million over the amount provided for the year just ending with increases in all items except municipal subsidies on capital account, where it is thought that last year's provision will again be sufficient to meet requirements.

At this point, I might point out a distinction between estimates for King's highways and those for municipal roads. On the King's highways the work is initiated by the department, and expenditures are largely at the discretion of the department. For municipal roads, we have to estimate for proposals which are initiated by the municipalities.

As we do not ask the municipalities to submit their appropriations for special capital projects until their plans and estimates are well formulated, we will not be aware for some months of the total amount required to meet the requests of the municipalities.

Since it is the desire of the department to encourage permanent construction, we do not wish to have to refuse requests simply on the grounds that insufficient funds have been provided. In keeping with the practice established two years ago, allotments are set up for maintenance and for normal construction. Appropriations are approved within the limits of those allotments.

The hon. members of this House will receive a copy of the municipal roads programme for the fiscal year 1957-1958,

which contains the allotment for every municipality with the exception of the newly-incorporated village of Caledon East, which nevertheless will be taken care of when we are fully informed of its requirements.

On the first page is a list of the number of municipalities in each of several classifications and the rate of subsidy applicable to each. The road and street mileages are not shown, but I may say that, at the end of 1955, of the total of 82,270 miles in the province, 66,517 miles were under municipal jurisdiction and 4,836 miles were maintained by statute labour boards or other local residents.

The estimates for municipal subsidies, both capital and ordinary, and for roads in unincorporated townships, ordinary, total \$52,750,000 and represent the department's share of expenditures of approximately twice that value, or \$105.5 million. The remaining \$7.2 million for development roads, capital and ordinary, and roads in unincorporated townships, capital, provides for department expenditures which we do not expect the municipalities to match.

From the foregoing it will be seen that the total of \$59,950,000 provided in the estimates represents a potential expenditure by the municipalities and the province of some \$112.7 million.

With particular reference to the reserve for special capital projects, I may say that in the past year similar funds have made it possible for the municipalities to undertake many works of real and permanent improvement that otherwise might have been held up indefinitely. Many of the projects may appear insignificant when compared with some of the more spectacular developments on the King's highways, but they are very important to the inhabitants of the areas in which they are carried out.

Principal types of projects which benefit from reserve include the paving of streets and roads in numerous municipalities; the development of main arteries in urban municipalities and suburban townships; grading and granular base

on many miles of rural roads all across the province to eliminate snow traps and frost boils; more than 400 new bridges and literally thousands of culverts; railway grade crossing separations; construction of machinery buildings in counties and townships, and purchases of larger units of equipment.

These projects are scattered over so many miles of road and such a wide area of the province that the casual observer would not be aware of the magnitude of the total.

The motor vehicles branch has become an extremely busy branch of The Department of Highways, because of the tremendous increase in the number of motor vehicles and the use of these vehicles. In view of the importance of the motor vehicle in our present-day economic and social life, the work of the branch is related to the welfare and interests of the large mass of our people, perhaps more closely and to a greater extent than that of any other branch or department of the government.

In its work it is also faced with many difficult and complex problems. In addition to the issuance of licences and permits, the collection of fees and administration of regulations relating to the licencing of drivers, the branch serves as a central bureau for the compilation of accident statistics and drivers' records; deals with the suspension and revocation of licences and permits; supervises the by-laws of municipal government bodies; provides machinery for the control of public vehicle operations; and develops safety education programmes and materials, in addition to other duties of a related nature.

The continued increases in the number of motor vehicles registered, and in the mileage driven, have added greatly to the duties and responsibilities of all divisions of the motor vehicles branch.

However, mention will be made of 3 undertakings which are planned for the year 1957 as extensions of work at present in operation.

One of these is the increase in the inspection staff of the public vehicles

division to attend to the widespread weighing and supervision of commercial vehicles operating on our highways.

Since the number of weigh-scale stations has not been sufficient to control the operations of commercial vehicles in all areas of the province, it is planned to add 14 men to the present inspection staff to operate the mobile scales, as well as the existing permanent scales, throughout southern Ontario.

The branch inspectors have already taken over a number of areas from the Ontario provincial police, and it is planned that this programme will be extended more rapidly in the future. Such inspections serve not only to prevent the operation of overloaded or overweight vehicles, but also to provide an opportunity to check licences and bills of lading and the condition of vehicles and drivers.

Another project involves the introduction of an improved driver examination programme throughout the province. In 1956 in the Toronto area, a revised system of examination was set up to include, as part of the driving examination, a written test, sign recognition test and eye test, in addition to the behind-the-wheel road test.

It is believed that this improved system of examination has accomplished beneficial results by calling for a higher degree of driving knowledge and skill than was the case before the new test programme was begun.

The methods of procedure developed through the tests carried on in the experimental project in the Toronto area have now progressed to a point where further testing stations of a similar type can be established in other areas of the province as rapidly as facilities are made available.

The increased frequency of accidents that has followed the tremendous growth in the number of motor vehicles has made necessary a re-assessment of the work being done in the field of public safety education.

We propose to carry on an extended and intensified attack on accidents in

1957, through all important fields of public information media including newspapers, radio and television.

We also are preparing a revised manual for drivers to cover, in easily understandable form, the provision of the traffic laws and rules of safe practice. There are now almost 2 million licenced drivers in Ontario, and we have a definite duty to keep them informed of the present laws relating to driving and vehicle equipment requirements.

In conclusion, I wish to say that the King's highways — the main thoroughfares of Ontario — in spite of what I have said about the sections which are intolerable, are in better physical condition than they have ever been before.

We know, however, that this is not good enough, and that is why the department has initiated and has completed the most intensive study of highway needs that has yet been done in this province, or in Canada. That is why the department is now planning and constructing highways which will provide for the expected growth in population and in motor vehicle traffic over the next 10 and 20 years.

That is also why hon. members of this House are being asked to approve the most comprehensive programme of highway construction in the history of this, or any other, province.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Chairman, before the hon. Minister comes down to the front row, I might be pardoned if I make a few references to some aspects of his speech this afternoon.

We have now heard from the hon. Minister of Highways, who heads the department of government that will be spending this year about one-third of the provincial budget on provincial, county and township roads.

Out of that mass of data and information which the hon. Minister has left with us this afternoon, certain points seem to stick out. One is that the hon. Minister has brought to this

House, in his capacity as Minister of Highways, a brand of boldness that is somewhat refreshing so far as this government and this department, in particular, are concerned.

He has suggested, in a very clear-cut manner, many innovations that he hopes to put into effect within his department. He has provided the House with a policy that will extend some of the existing principles within the department; and, all in all, I would say, and I must say in fairness, that if he carries out—and I have not any reason at the moment to believe that he will not carry out—the developments which he has outlined to us this afternoon, it just may be that a new day is dawning for highway construction and highway programmes in this province.

The hon. Minister also set up another conclusion, and that seems to me to be this:

With all these things that the hon. Minister is going to do, that were not being done before, it is a clear revelation, to my way of thinking, that the department was extremely backward in its outlook in previous years, and that the hon. Minister is now moving to correct some of the inadequacies and shortcomings that have plagued this department for some time.

I just want to touch briefly upon a few of the points. I think most of them have been raised by the hon. Minister, and when he comes down to the lower strata, he will be in a position to question him more closely in relation to certain items.

I noticed an article — last August, I think it was — in the *Toronto Globe and Mail*, written by Mr. Cole, in which he said that the administration costs of The Department of Highways had more than doubled in 4 years, and that they were now some \$10 million.

I am quite aware that, in an expanded programme, one can look for expanded costs, and I simply point this out to remind the hon. Minister and the hon. members of this House that, in this great spending department —

spending this year some \$200 million—I think we have got to pay—and the hon. Minister has got to pay—particular attention to the cost of administration within his department, not only in the head office in Toronto but in the divisions throughout the province.

I am not persuaded, Mr. Chairman, that there is the degree of efficiency within the divisional districts of this province, in the work they carry out—I am not persuaded that the work is being done as efficiently and as economically as either it could, or should, be in respect to this great department.

When one looks back at these divisional offices and their expenditures, one must bear in mind, first of all, that they are dealing, really, with about the same amount of highway, mileage-wise, as they were 5 or 10 years ago. There have been additions here and there to the existing mileage, but, speaking generally, it is relatively the same mileage. Within these divisions, when one looks at the figures, one is faced with this situation, that the cost of administration and the cost of maintenance of the highways within those districts have skyrocketed to a point which, to my way of thinking at least, is alarming.

I do not know whether or not it alarms the hon. Minister, but when we are looking, as we must look, at the increased expenditures in this department, it behooves us to make doubly sure that the base of all operations is being conducted in an economic and completely efficient way. I am not sure—indeed, I am very far from sure—that this is the case today.

The hon. Minister talked about the contracts and the work schedules. We will be referring, as the debate continues, to what seems to be a slowness on the part of the department in getting these contracts processed and in getting the work done.

There has been reference to various contracts and to various pieces of roadway. That, I think, is something which should be discussed in this House, because there can be little excuse in this

day and age for any tardiness in road building and any extending of the length of time given to the completion of a certain contract. I think we should discuss that.

Also, the hon. Minister should be cognizant that there should be, and must be, a greater co-ordination between his department and the county and township councils. I do not mean particularly co-ordination so far as the financial aspect of the programme is concerned. But I am persuaded of this, Mr. Chairman, that there is a definite lack of co-ordination, dealing particularly with equipment and with the use that could be made of that equipment, as between the 3 levels of government. Each one, at the present time, is moving in its own particular sphere.

I have said before, and I say it to the hon. Minister this afternoon, that a great deal can be done in pooling the equipment resources of these 3 levels of government and doing it in the name of efficiency, greater speed, greater clarity of purpose, and greater economy. Of these, economy is the most important factor.

Next, the hon. Minister mentioned engineers. I want to say a word about them. I think we must have engineers in increasing numbers to take care of the programming, designing, and planning of any great highway system in this province.

The hon. Minister has said that some of his people have gone to England and, over there, have recruited a number of engineers.

I remember reading, just a few months ago, a piece in the *Toronto Globe and Mail* by Macdonald—it was not my friend the hon. member for York South, but it was Dave Macdonald, I think his name is, who wrote two or three special articles. In one, he dealt particularly with the shortage of engineers. He pointed out that, in the jurisdictions in the United States they made a requirement that there should be 7 engineers for every \$1 million of expenditure, and that in Ontario it

was a question of 1.4 engineers for every \$1 million of expenditure. I do not know whether or not we need 7 engineers for every \$1 million of expenditure but I am quite sure—

HON. MR. FROST: If we had obtained 7 engineers for every \$1 million of expenditure, what would they be doing—the pick and shovel work?

MR. OLIVER: I am not suggesting that we need 7 engineers per \$1 million of expenditure, but I am suggesting to the hon. Prime Minister, and to the House, that when we are spending \$200 million of the people's money, we want to make very sure that when this amount goes into building these great projects that the best brains we can find — and an adequate amount of brains — will see that that money is spent in an economic and efficient way — in a way that will bring the greatest returns to the people of the province.

I do not know what can be done in regard to engineers except that the hon. Minister carry on, I suppose, as he has been doing, always with the objective that if he is going to have good highways, and if he is going to spend huge amounts efficiently, then he must have an adequate engineering staff with which to do it.

I want to point out to the House, for a few minutes, some of the basic things which, I think, The Department of Highways should have as its perspective and goal in this province.

I know that the hon. Minister will tell us—as he has already mentioned during his discussion on some of these things — about the long-awaited document, the assessment of the highways' picture for the next 20 years.

All I can say about that document at the moment is that it is printed on exceptionally good paper, and that it looks really attractive, and that it contains some fine pictures, and a lot of figures and data. But whether or not it meets the requirements of a 20-year programme, I am sure I do not know,

and I am not sure if the hon. Minister knows. We will have the opportunity of going into that later on.

But I think one of the basic, fundamental needs of The Department of Highways is an assessment of the province's requirements, based on professional and expert surveys and advice, and that, on that assessment, there should be drawn up an overall master plan.

If the hon. Minister is prepared to do that now, I suggest that this is the first time that he has been prepared to do so. He says this afternoon—and I place a lot of weight on the words that he uses—that he is prepared to move out in the direction of not only preparing such a plan, but making sure that the plan is based on the soundest engineering advice that he can get.

The next 4 or 5 years will tell if the fruits of his endeavour will be all that we have a right to expect, because of the province's outstanding needs of today.

Regarding my second point, what I think we need is the co-ordination of a plan that includes provincial highways, county and township roads, and municipal roads in conjunction with through highways. I have already spoken on that, Mr. Chairman, and I cannot emphasize too strongly that in my judgment we have fallen down in our relationships with the townships and the counties in moving forward to a really co-ordinated plan of highway construction and maintenance.

This is a field, lying before the hon. Minister, which he has scarcely canvassed as yet. As we move into the position where we spend more and more for highway construction, it becomes more and more imperative that we revise our outlook insofar as the relationship between the province, the county, and the municipalities are concerned.

The third point, and I am sure the hon. Minister agrees, is the recruitment and the training of highway engineers and traffic experts who are interested in a career. I think it is essential and

pertinent that these men whom we get into The Department of Highways — whether they are brought from England or wherever we get them—must be imbued with the ideal of service, and that they have within themselves not only the capacity to do the job at the moment, but a desire to continue in that position and render the maximum service to the province over a long term of years.

I think the fourth thing that is so greatly needed—and I want to emphasize this—is the creation of a research department. The hon. Minister will tell me he has one, but I want to deal with it in a broader way for a moment.

The purpose of the research department, as I see it, would be to investigate all aspects of highway construction and maintenance, financing, land use and zoning, building regulations, traffic control, driver training and safety.

Such research, and I am sure all hon. members agree with this, could be employed to reduce the costs and to speed up methods. On that, I want to point out that the hon. Minister said a few minutes ago that grants were being made to universities for this purpose. The amount involved, I seem to recollect, was some \$85,000.

I suggest in all seriousness that \$85,000 for special research projects is a drop in the bucket when we consider the need that exists for this particular service. If we are going to spend over \$200 million a year on highway construction and maintenance in this province, then the research attendant upon the spending of that amount of money must involve not only a greater amount of money, but it must be much more substantial than what is presently being provided.

On the fifth point, I would say The Department of Highways should prepare now, and should extend its plans into the future, as to the allocation of the highways themselves, and as to the purchase of property that will make the zoning of the areas alongside the highways much easier than it otherwise would be.

What happens in too many cases, is that highways are pushed through and involve such things as the demolition of buildings. That should not be necessary. That would not be necessary if a long-range programme were instituted in that respect.

The sixth one would involve a classification to apportion responsibility and tax revenues to the various levels of government with regard to the various segments of the road system. That is, costs should be apportioned between the province, the county and the local municipalities.

I am not going to argue on that point except to say this: I have always said in this House that I felt it was the responsibility of the government to take more county roads into the provincial system. I said this before, and I say again, that I am unalterably opposed to the present system of making these county roads into development roads, building them, and then turning them back to the counties.

It seems to me that with this province's greatly expanded highway programme, it is the real obligation and responsibility of The Department of Highways and the government to gradually assume, year by year, some portion of county roads and attach them permanently to the provincial highway system. That has not been done, and there is no indication that the government is changing its mind in that respect.

I want to argue as strongly as I can that when the people of this province put up the amount of money they do for highway construction and maintenance work, they have a right to have some of their county roads gradually and systematically taken into the highway system as the years go by.

Surely what we are doing now is a policy of stagnation. It is a policy of "do nothing" in respect to those roads. I do not see how the government can support what they are doing in that particular regard, yet claim to have an objective view in mind.

The only other thing I want to say to the hon. Minister is this: I believe that public education in respect to highways must be greatly expanded through the medium of billboards, newspapers, and so on, not only in respect to traffic safety, but in acquainting the people generally with The Department of Highway's long-range plans and views. This should be done to keep the people aware that we are moving to greater and greater heights in highway construction.

An hon. Minister can go only so far as the people want him to go, and only so far as they will go with him in these matters, and I think in regard to education, as far as highway construction is concerned, we have fallen down very badly.

Having said those things, I want to tell the hon. Minister again that I am quite impressed with his remarks this afternoon. All of us are impressed with the manner that he has, and all of us wish him well in the great task that has been assigned to him in respect to highway work, construction and maintenance.

MR. D. C. MacDONALD (York South): Mr. Chairman, I want to make a few general remarks, and I can assure you in advance they will be relatively brief. Those of us who were on the highway finance committee had an opportunity to preview this highway needs study because we were provided with some of the raw material out of which it came in order to come to our own conclusions.

I can certainly go along with the hon. Leader of the Opposition in expressing my view, that it is not only impressive, but the whole vista that this opens up is a little breath-taking. Certainly, if we are going to be spending not just \$200 million, but come closer to \$250 million a year now as a regular pattern—and there is every prospect that it is going beyond that—then we should be doing it within the framework of a carefully worked-out programme. I think we have the personnel and the machinery for working out that programme within the

department which has produced this kind of a report.

I know, speaking personally, I look forward with great pleasure after all the number of times the question was asked on the highway finance committee as to when highway No. 401 would be completed, to learn it is going to be completed in the year 1967. I am already planning to take a trip from Windsor to the Quebec border in 1967 in celebration of the centennial of Confederation, and I shall do it by way of highway No. 401.

I want to express now a word of caution, on something which I quite frankly admit approaches the nature of a dilemma.

As far as my own reaction to this whole programme is concerned, I acknowledge and recognize the reason why we have a highway budget which is growing to these astronomic proportions.

We have, on one hand, costs in highway construction and maintenance which have gone up phenomenally in the last 10 years or so; what may have cost \$100,000 or \$150,000 a mile 10 years ago now costs \$500,000 a mile on an average.

In addition to that, we have had this absolutely unprecedented expansion in vehicle registration. At the close of the war, we had 600,000 registered vehicles and now, some 10, 11 or 12 years later we have 1,170,000 registered vehicles, so that the reason for this kind of programme is pretty obvious and does not need emphasis.

However, it is growing out of all proportion in terms of our overall budget.

Without straying too far from what is immediately before the House, I want to once again draw the kind of analogy I have drawn before. This is the thing that worries me: This government is, admittedly, mapping out a modern highway programme and is indicating a willingness to spend money to meet those modern needs — in striking contrast to

its lack of willingness to spend money on other aspects of our budget — for instance on education, which is the obvious contrast.

Let me take hon. members back to the year 1940; it is almost unbelievable to recall that the total amount of capital invested in new schools in the province of Ontario that year was approximately \$1 million. In 1945 it was, approximately, \$3 million. Now it is in the neighbourhood of \$70 million a year.

As a matter of fact, I understand from the officials of The Department of Education that approximately \$1,000 per pupil is required to build a plant to provide the education to that pupil, so if we have 60,000 to 70,000 new students each year we are going to need \$60,000 to \$70,000 in new investments in new schools every year.

This kind of thing requires us to keep our expenditures in balance.

Because our cars come bumper to bumper, and create traffic problems that people have to deal with from early morning to late at night, we are conscious of the need in highways, conscious of the backlog, and, therefore we are willing to spend money. But I suggest to hon. members that what is happening in this province — because we are not meeting equally important backlogs in education — can be just as disastrous and as far-reaching in the lives, particularly of the rising generation.

Therefore, I raise this question: When we consider the figures set out in this master plan, are we getting out of line in terms of our expenditures in this one department as compared with the others? Certainly, we would like to catch up with the backlog in 5 or 10 years, rather than 20 years.

But it may have to be that — if we are going to keep our budget in balance, if we are going to meet these other equally important items in the field of government expenditure — we may simply have to take a more conservative, small “c”, approach to meeting those great backlogs in highways, so that we will not get out of line in terms of this

department's expenditures in comparison with the others.

I just emphasize that — without coming to a dogmatic conclusion — because I do not know how one can be dogmatic in this field, considering all the pressures from related fields with which I have been comparing it. To me the highway programme represents a dilemma, and I think it is something which hon. members of this House, the department or, more important, the overall government, must constantly bear in mind.

There is one other point I want to raise briefly, and I do not know where it fits into these individual items. It is this question of level crossings.

There is one rather shocking feature of our level crossing situation, and that is that we all know in each of our ridings of a number of crossings which have been presenting problems for years and which the local community has been protesting.

We know there have been programmes drafted at the federal level and, to some extent, at the provincial level to try to eliminate these hazards on our roads. As a matter of fact, at the end of the war, when the federal government was drafting its so-called shelf of public works to cope with any possible post-war recession, one of the items it had in this shelf of public works was the elimination of level crossings across this country.

As we know, this shelf of public works suddenly — some 6 or 8 years later — disappeared into thin air, and the people who had propagated it, and who had fought a couple of elections on the strength of it, finally said it was not workable as an economic proposition. However, they did substitute, for that aspect of the shelf of public works to deal with level crossings, some added annual expenditure towards the elimination of level crossings in about the year 1955.

I have an example in my own riding which I think illustrates the anomaly with which we are faced. When we were queried by the hon. Attorney-

General (Mr. Roberts) last year, I conferred with local authorities in York township to find out what level crossings were requiring attention. We found there were a number in the township which the municipal officials felt, in varying degree of urgency, should be looked into.

There is one, particularly, with which hon. members of the House may be familiar. It is at the west end of Eglington Avenue, just east of Weston Road. All the pleading that had been advanced to have something done about this crossing down through the years was to no avail until recently when we had another fatality.

And here is the anomaly. Because another person was killed at the level crossing, it was advanced on the priority list and something was done about it.

The reason I am raising this matter—and I do not know whether this is exclusively within the department of the hon. Minister of Highways or whether it comes under the department of the hon. Attorney-General or some other place in the government—is that I am convinced we are not going to be able to move towards the elimination of these hazards on our highways as quickly as necessary until there is greater relief from the municipal share of the cost of eliminating them. I say this because, without going into any detail, we are all aware of the extent to which our municipal councils and municipal budgets are now far overstrained.

The question I want to put to the hon. Minister and to which, perhaps, he can reply when he gets here, is whether the government is giving consideration to increased participation from the provincial level so that less of the financial burden rests with local municipalities in eliminating these level crossings.

I am convinced, personally, from my fairly careful investigation of this matter from both York township and Metro level, as long as we do leave as much of the burden where it now rests financially, we are not going to

be able to eliminate those level crossings as quickly as we would like to.

HON. MR. ALLAN: I am very pleased to answer the question of the hon. member for York South. May I give a short explanation of how level crossings are handled.

The federal government sets aside a fund each year. So far, the amount has been \$5 million. These contributions are made for the elimination of level crossings. The federal government contributes 60 per cent, or up to \$300,000; the railroads make a contribution which varies with different situations. If it is a King's highway, the province pays the balance. Royal York Road cost a great deal more than \$300,000, but the federal government's contribution is still limited to \$300,000.

However, the hon. member is interested particularly in municipalities, and may I say we are almost afraid that our contribution to level crossings in connection with municipal governments is too great, because we are afraid that the payments may become so great that there would be no money left for King's highways or other streets.

With the level crossing, it works out this way: The approach is made by the government interested—if it crosses a King's highway, it is our government; if it is a county road, it is the county; if the crossing is within a local municipality, the approach is made by the local municipality.

The problem is brought to the attention of the federal transport board which sends an engineer to investigate, and if he approves, the federal government contributes towards that project, paying 60 per cent.

Then there is a percentage which the railways pay towards the cost of the structure—I am speaking now of structures. I am not going into the alarm system.

We have recognized that, as far as a bridge is concerned, the provincial contribution to the township, or to the

town or village, or to a county is 80 per cent., so that we pay 80 per cent. of the less than 40 per cent. remaining—that is, even if the railway does not contribute anything and it always does. When we contribute 80 per cent. of 40 per cent., it means we contribute some 32 per cent., which relieves the local municipality of more than 80 per cent. of the cost of the structure, and that is almost too good a deal.

MR. MacDONALD: That is not the story one hears from the municipal governments.

HON. L. M. FROST (Prime Minister): I would like at this time to proceed with some second readings, in order to get them into committee stage.

I move that the committee do now rise and report progress, and I will very probably call this order again later in the day.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report and asks for leave to sit again.

Motion agreed to; report adopted.

THE FACTORY, SHOP AND OFFICE BUILDING ACT

Hon. C. Daley moves second reading of Bill No. 139, "An Act to amend The Factory, Shop and Office Building Act."

Motion agreed to; second reading of the bill.

THE OPERATING ENGINEERS ACT

Hon. Mr. Daley moves second reading of Bill No. 141, "An Act to amend The Operating Engineers Act, 1953."

Motion agreed to; second reading of the bill.

THE MUNICIPAL TAX ASSISTANCE ACT

Hon. W. K. Warrender moves second reading of Bill No. 155, "An Act to amend The Municipal Tax Assistance Act, 1952."

Motion agreed to; second reading of the bill.

THE MILK INDUSTRY ACT

Hon. W. Goodfellow moves second reading of Bill No. 160, intituled, "The Milk Industry Act, 1957."

Motion agreed to; second reading of the bill.

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION AND THE ONTARIO CANCER INSTITUTE

Hon. L. M. Frost, in the absence of hon. Mr. Phillips, moves second reading of Bill No. 161, "An Act to Reconstitute the Ontario Cancer Treatment and Research Foundation and the Ontario Cancer Institute."

He said: Mr. Speaker, just before putting this motion, I might say that this is an Act with which, over the years, I have had a great deal to do. The Ontario Cancer Treatment and Research Foundation Act was passed probably a dozen years ago, and the foundation itself started from a very small beginning, and now has a very large organization across the province with cancer treatment clinics in most of the larger centres.

Perhaps I might put it this way, that they will be in all of the centres having universities and hospitals and in some other places, notably the Lakehead.

We are about to complete the cancer institute on the Wellesley Hospital property, a project into which we have put large sums of money, and which developed from a comparatively small plan as first advanced a number of years

ago, into a very large hospital centre. We took over the Wellesley Hospital, paid certain indebtedness, erected a nurses' residence and, in conjunction with that, after acquiring additional land in the locality, we have erected a very modern cancer treatment building which will, very shortly, be in use.

Two or three years ago, we passed an Act relating to the Ontario cancer institute which was confined to the construction of that particular building. The construction has been carried out by a board which is named in the Act—or, at least, the interest they represent is named in the Act—consisting of representatives of the Toronto General Hospital, with Mr. Norman Urquhart, the chairman of that hospital, being the chairman of the erecting board of the institute, and representatives of the University of Toronto, the various hospitals, the cancer treatment and research foundation, and others.

The purpose of this Act is this: We are shortly going to emerge into a new time and a new day, in connection with the treatment of cancer, with the coming into being of this magnificent new building and its various facets, into which the people of Ontario have invested, or will invest before the end of this year, almost \$10 million.

I would point out to the hon. members opposite that, of that amount we received, I think, about \$500,000 from the federal government, and the balance of that huge investment we have made ourselves.

It is one thing to have a magnificent building with all of the equipment that goes with it. But it is another thing to have the co-ordination of personnel as between the universities, the medical faculties of the universities, and science in the various hospitals working in unison under what we might pretty generally term a united command in this great war. That is another thing—to unite the people from those bodies together and to have them working in unison; and, furthermore, to have the development of the research facilities, in

the manner in which we want it, made possible in this big institute.

The first part of this Act is, very largely, a re-enactment of the old Cancer Treatment and Research Act under which we have been working. There are some amendments, not particularly material.

The second portion of the Act involves the provisions necessary for the operation of this Ontario cancer treatment centre, or hospital of the institute, on the Wellesley Hospital grounds.

Such a major hospital, of course, has to be conducted in a somewhat different manner from the other treatment centres which were established in Ontario a few years ago, notably London.

I believe it was in 1951 that I had the great privilege and honour of bringing into operation the first cobalt bomb in Canada in the city of London. I think that was in 1951. Since that time, we have now several of those bombs in use in the province of Ontario.

As hon. members will note, in the second portion of this Act there is a very obvious tying-together of the various interests involved, many of which are in the city of Toronto, which, of course, is our greatest cancer centre because of the concentration of population and trained personnel.

The representatives come from the various teaching hospitals which are named in the Act; from the University of Toronto, which, incidentally, is by that medium representative of the medical fraternity in this area and in Ontario—and we have a large representation, I think it is 5 in number, from the foundation itself.

The idea is to have the boards of these two bodies substantially interlocking so that we will have, through the foundation, the provincial complex which is required in this matter.

That is the purpose of the Act. As I say, I am looking forward to a new day in Ontario in connection with the treatment of cancer.

Yesterday I left the House around 5.00 o'clock, as some hon. members might have noticed. I was on my way to attend a function to which I very seldom am able to go, and that was a reception at which there were several hundred — I think 1,300, they told me — women and men who are interested in the battle against cancer.

There I met the gentleman who had been the speaker in the afternoon and, of course, whom I unfortunately did not hear. My recollection is that it was Dr. Rhoads of New York — I could be wrong about that—but, in any event, he was the speaker of the occasion.

I asked him about this new project and he told me—we were with Mrs. Frankel, who is one of the very zealous supporters of this idea and the fight against cancer—Dr. Rhoads told me first of all that he did not expect that New York City would have, for some time, anything that would meet what we are going to have, in this city of Toronto and the province of Ontario, within the very short period of a month or two, with the coming into operation of this building.

I said to him: "Doctor, being a layman of the laymen, I have been interested in this. It is only a short time ago that tuberculosis was counted as one of the diseases which we had not even begun to conquer, and today we are beginning to have our hospitals emptying out because of the wonders of science and the development of wonder drugs."

I added: "Now we are in the very pleasant position that we are being asked to turn certain wards in tuberculosis hospitals into convalescent and other types of hospitals. Is there a possibility of this happening in cancer?"

He told me that he is confident that such will be the case. Dr. Rhoads is confident that, with the new treatments and new techniques and advances being made in science, there will be a very much larger volume of successes and record of successes in the treatment

of that disease than heretofore. I think that is a very encouraging statement.

I think one thing we have to do is to eliminate and abolish, where we can, the fear that people have of this disease. Of course, it is a matter which would cause concern and even fear. But, fortunately, one need not be overwhelmed. The fact is that, with these techniques in effect today, there are impressive opportunities for treatment, and a very great degree of success can be obtained.

The purpose of the Act is to encourage further advances, in a general way, and I would say to the hon. members of this House that we are proceeding with this work based on a pretty sound record of experience. I very well remember that when the first board was appointed — it seems to me that it would be back about 1943, or thereabouts — there was little to go on. Men like Arthur Ford and others experimented in an unknown field.

I think it would be perhaps around the year 1951 when the cancer foundation presented its plans for the erection of this building. These plans were very modest, involving a government expenditure of about \$1 million. This is 1957, and a building is completed which is completely different from what was advocated and planned at that time.

Much of the delay—some 6 years of time—was due to the fact entirely that the latest innovations had to be introduced into it. Some of the doctors connected with it went to the United States, Europe and other places and studied these matters. Very often, after the plans were completed and it was determined to proceed on a certain line, then, after reconsideration, they were changed.

That is the state of this battle against cancer. There are new ideas constantly coming into the situation. My recollection is, when we started into this phase of cancer work, there was not such a thing as a cobalt bomb. People did not know anything about its possibilities. The bomb existed only in the imagina-

tion of scientists. It was not until 1951 that the first bomb in Canada was put into use in this province.

There have been other great developments, and it is a field in which we have to remain very fluid, and we have to have our minds very much open to the possibilities of further changes which will take place.

I very well remember, when Dr. Cosbie and Arthur Ford and some others first spoke to me about a clinic—which, it was presumed, would be built on the ground occupied by the Dunlop people here—something less than \$1 million was involved. By the time we are through with this we are going to have \$10 million actually invested in this great battle.

That is the situation, and I move the second reading of the bill.

Motion agreed to; second reading of the bill.

THE HOSPITALS SERVICES COMMISSION ACT

Hon. Mr. Frost moves second reading of Bill No. 165, intituled "The Hospital Services Commission Act, 1957."

He said: Mr. Speaker, this is, of course, a highly important bill, one which has taken many years to evolve and bring to this stage. Yet, it has been so much discussed that it is hardly necessary for me to make any comment at all this afternoon.

There was a discussion in relation to this bill in its detailed parts the other day, and there will be a renewal of that discussion, I think, tomorrow morning.

But perhaps, in moving the second reading of this bill, I can make some comments from just a little different angle. I am moved to do this because I received comments from varying points of view.

One of the points of view that I received from some people is the fact that this type of legislation goes too far

—that it is involving the government and the public in commitments in what might be termed business which goes beyond the realm of government.

MR. MacDONALD: Socialism. That is even worse.

HON. MR. FROST: I may say I have always been open to new ideas, and I hope I will always remain that way.

MR. MacDONALD: Even if it is socialism?

HON. MR. FROST: I think I have been practical in that way. I have been practical in regard to these matters. I do not profess to be a reactionary. I profess to be a member of the most progressive of all political parties—the Progressive Conservative. I have no apologies for that. I think I belong to a school of thought that is very progressive.

However, in line with what the hon. member says, I made this note or two before I came in here. In some quarters, I am glad to say few and small, there is always a somewhat hysterical opposition to a project such as I proposed to the House this afternoon in the form of the second reading of this bill. I point out that the social system in Canada, if one wants to use the hon. member's expression, is socialistic in a sense.

MR. MacDONALD: So is our educational system.

HON. MR. FROST: That is right. However, I would say to the hon. member that my references to practical socialism and the application of it are quite different from some of the things that the hon. member has advocated and some of the thoughts that were, notably, in the Regina Manifesto that he threw into the bay.

MR. MacDONALD: It is like the hon. Prime Minister's 22 points. It is an historical document.

HON. MR. FROST: Well, it is now, and I do not know whether it is in the deep freeze or in the bay. It is out, anyway.

I come from a progressive school of thought and a line of progressive political thought, and I am advancing one more change in this House this afternoon. In the same sense this applies to our great water power programme, which, in the terms of what we know as Hydro, has been imbedded into the life and development of this province for some 50 years.

There are certain things a government can do which, conducted on a broad basis, stimulates and does not retard free enterprise and private initiative.

This is what Franklin D. Roosevelt said on this, and I do not rate Franklin D. Roosevelt as some of his countrymen do, I rate him myself very highly:

We are willing to have the government of the United States carry on certain kinds of business for us, if the government can do it better than anyone else, and that is why I want the government of the state to develop water power sites in this state because the government can do it better than anyone else.

That is what Mr. Roosevelt said when he was governor of the state of New York. I think we in Ontario have followed that out over a period of many years indeed.

Our experience, for instance, with Hydro is that it has developed industry; it has developed free enterprise and personal initiative. And I am a great free enterprise and personal initiative man, I am thoroughly convinced of that.

It has developed industry, free enterprise and personal initiative in a way that no combination of independent enterprises could have done, and as evidence of the success of publicly-owned enterprises there is the Hydro project. Let us just look about us in this fast-developing and fast-growing province.

I want to say this to these insurance fellows. I want to have a talk with them.

MR. MacDONALD: They will be interested.

HON. MR. FROST: Insurance companies operating in Ontario—and may I say in those days of 50 years ago there were those who disapproved of what we were doing in Ontario with regard to Hydro, and yet today what we have done is the very foundation of free enterprise in this province.

MR. MacDONALD: We will send over an application card to the hon. Prime Minister.

HON. MR. FROST: I will say there is always a light in the window for those who have strayed; and I would say to the hon. member if he would go back to the old Progressive Conservative teaching of his home he would be in the line of real progress.

MR. MacDONALD: The hon. Prime Minister is misinformed again, I assure him.

HON. MR. FROST: Insurance companies operating in Ontario have done a very marvellous job, and I want to pay a compliment to those who are operating in Ontario and I hope they will continue to operate in Ontario, and I know that they will.

At the present time we have between 3.5 million and 4 million people covered by policies of private insurance companies. They may be co-operatives, or they may be other types of companies, but, in any event, they are not government-subsidized companies. We have between 3.5 million and 4 million of our people covered by policies that give them only partial coverage in regard to hospitalization. As with the case of the power companies 50 years ago, it is impossible for these fine insurance companies in any practicable combination I know of, to give to all our people, regardless of the condition of health, financial circumstances and other condi-

tions, complete hospital coverage which would be universal to all our people.

This is clearly a case where a government agency can carry on this type of business better than anyone else, and that is why I come here today with this bill. I look forward to an arrangement in which our insurance companies can better the fringe benefits they are able to give.

I hope in the city of Kitchener, which is a financial and insurance centre, and in the city of Toronto and other places where there are private companies operating, that this will enable them—because of the great basic coverage we give to our people—to meet the benefits arising out of insurance which will be in their field in a way which will greatly benefit our people. If I may use the term “fringe benefit”, which is an insurance term, I hope they can enlarge their operations in this sphere.

The principle of this bill, of which I move the second reading, is directed to that phase: that only an agent sponsored by this Legislature can take care of matters involving the health of our people, protecting them from catastrophic incidents and long-term illness. That is the purpose and the object of the bill which I recommend to the favourable consideration of this House.

MR. MacDONALD: Mr. Speaker, may I ask the hon. Prime Minister this question? Do I conclude correctly from his remarks that the government has decided the private insurance companies will not be involved in the basic coverage of the plan, as such, but will be left a free field in the coverage of fringe benefits?

HON. MR. FROST: That is right. I believe that was made perfectly clear in the committee. I think the commission has to have free play and have the writing of the risk, if I may put it that way, to use an insurance term, within the scope or field that is covered by the Ontario proposal.

Mr. Speaker, I may say I never had any different view at all. I had no inten-

tion of expending government subsidy or government money to private companies in that field. I do think it is possible for an insurance company—for instance, the Blue Cross—to integrate our basic policy for which our insurance company must receive the money on the programme; to integrate that with benefits that we mentioned in the committee the other day. I think it is perfectly proper and feasible.

The workers of General Motors could deal with Blue Cross and have our coverage integrated into that plant with our company receiving the money but the Blue Cross being able to write these fringe benefits.

That, also, applies to the matter of the insurance covering a man's loss of income during sickness. That is something which has not been developed to any great extent in this country, but I am satisfied it will be developed.

I think we can develop a system, and it is a tremendous field, for an insurance company to operate and integrate their work with our basic policy and give our people in this province insurance coverage second to none anywhere.

MR. MacDONALD: I am glad to have that assurance because it was not quite so clear in the committee as the hon. Prime Minister suggests. This is a hot issue with a great number of people who are walking around it and viewing it from a distance.

For example, hon. members will recall that Mr. Gathercole mentioned that he had received a telephone call, the morning of the committee meeting from representatives of the private insurance companies indicating they had had a change of mind and they felt they might now be able to provide this basic coverage at cost. As I pointed out, if they are brought in, it simply means they would be increasing their rate on other policies that they give.

HON. MR. FROST: They could not do that; they could not compete with our company because the subsidy would

go to our company. We will not be in the business of subsidizing private companies to take the best risks; of course we will not.

MR. MacDONALD: There is one more point I would like to mention before we leave this. I think it would be well for both the hon. Prime Minister and the hon. members of this House to recognize this fact:

If we are sincere about the promise that has been outstanding for two generations in this country, that some day we are going to move to the fulfilment of full health insurance in addition to hospital insurance, let us recognize the fact that we are giving an open invitation for the insurance companies to entrench themselves in providing fringe benefits; we are just building and entrenching a group which the hon. Prime Minister — or whoever is in the seat of government 5, 25 or 50 years from now, whenever we get full health insurance coverage — will have to fight in the same way that he is having to fight the insurance companies now.

These people are in business for profit, and they are going to be one of the continuing obstacles and opponents who will fight the expansion of a plan beyond hospital insurance of full coverage.

Unfortunately, at that point most of those on these government benches stand four-square with the insurance companies as, I think, does even the hon. Liberal party. Let us not have any illusions. We are strengthening people who are going to oppose what this government and the Liberals have been promising for years—full health insurance.

HON. MR. FROST: I would say to the hon. member he lives in a state of perpetual terror of some bogey man who is going to do something to him.

MR. MacDONALD: The hon. Prime Minister is coping with one of the bogey men at the present time.

HON. MR. FROST: I may say that I do not think any person has been closer to this problem than the hon. Provincial Treasurer and myself over the years. I can assure this House we have not been faced with opposition from the insurance companies.

MR. MacDONALD: Oh, tut!

HON. MR. FROST: That is right. I would say there are one or two insurance companies with head offices not in this province —

MR. MacDONALD: We have been deluged with letters.

HON. MR. FROST: We receive letters, and that is a very good thing. I would say the insurance companies have been most co-operative with us. Of course, there are executives — not very many — who take a rather archaic and dim view about things, and they are the same type of people who thought the whole country and the world was going to pop because the Hydro-Electric Power Commission was formed 50 years ago, but I would say the great majority of insurance companies have been very helpful, and I would say to the hon. member it has not been a case of throwing any obstacles, as far as we are concerned, in the way of our doing this job.

MR. A. COWLING (High Park): Mr. Speaker, I would like to say a word on that, and I am going to keep on saying what I want to say just as long as I have the opportunity to do so.

I think we should thank the private insurers for the job they have done for the people of the province of Ontario. It was on their account we first began to give insurance coverage of any description to the people of the province.

Furthermore, as the hon. Prime Minister has said, they have been very co-operative in this whole picture, and they are prepared to have the government move in and take over basic hospital coverage and they simply say,

"Okay, we will move on and provide the people of the province with extra coverage if they want it."

As far as I am concerned personally, the private insurers will continue to give service to our people for many years to come. If at some future date the government feels it may be necessary to enter into a broader field of medical and surgical coverage, it is my guess and my prediction that the private insurers at that time will co-operate and agree with it and move on and design other coverage for our people, and these things will always be available for them.

MR. MacDONALD: But they will postpone it as long as possible.

MR. OLIVER: Mr. Speaker, I would like to question the hon. Prime Minister for a moment with respect to another angle of this bill having to do with the tuberculosis and mental institutions—particularly in respect of the mental institutions. We pay, of course, huge grants provincially, and some of the charges are paid by the patients. I do not imagine that is a very large part of the total, and now there has been an intimation that included in the premium to be charged will be an amount that will go towards the mental and tuberculosis institutions.

Now, I want to ask the hon. Prime Minister two questions, and then he can answer: Is it suggested that the amount will be large enough to make up the difference or the deficit between what the province presently pays and the actual cost, and if it would be in the actual premium, the amount? What is the amount?

HON. MR. FROST: I would say that the amount of the premium is dependent upon the decision of the commission. What they envisage is this, that our subsidization will cover all of the construction and operation of hospitals as they are now constructed and operated, and as these things would be projected into the future.

On that basis, our subsidization would cover these things. For instance, say \$30 million will be the increase that we calculated into the future. But in 1960 it may be \$40 million or some such figure. We are counting on subsidizing on the basis of the present amount plus that escalation.

Frankly, any premium addition, which would be small, would be devoted to the further development of the best facilities and the most modern techniques, in addition to what we already have, which we can possibly procure. Such additional premium can be devoted to helping to slope off the incidence of mental illness and to streamline our mental hospitals more into a public general hospital idea.

Of course, there are mental clinics, there are those who are retarded and will never recover and will have to have institutional care, but we hope by these means and through the working of our commission to devote the premium amount to the full amortization of our hospital systems and putting the emphasis upon recovery.

As I said before in the committee, if we can avoid admitting people into our hospitals, it is perfectly obvious that then we remove the difficulties and the problems of rehabilitation.

As regards the amount of the premium, I would say a very small addition to the premium—it may be 15, 20 or 25 cents a month for a single person; for a family man and his wife and family it may be in the order of 30, 35 or 40 cents a month—it is our intention to segregate that amount from the cost of the operation of hospitals, and to invest it in ways and means to provide a great betterment and a great new approach to our mental hospital techniques.

MR. OLIVER: May I ask one additional question? Would the patients in these institutions from that time on be expected to contribute?

HON. MR. FROST: No. As a matter of fact, with the operation we would

take over, as I see it. Of course, insurance people have to work that out.

MR. J. YAREMKO (Bellwoods): Mr. Speaker, I wish to say only a word or two at this time, which I believe is indeed a historic occasion. If there are two things of which I will be proud to have been a supporter of this administration they will have been the St. Lawrence seaway and the hospital plan.

Today is also an anniversary day. It may have escaped the minds of some hon. members of the House and the members of the health committee that exactly one year ago today, on March 28, 1956, the health committee, in committee room No. 1, concluded its proceedings.

At that time, I had the honour of moving the adjournment of the committee, and the motion ran along the lines that the committee thanked the government and the experts for having provided a forum at which all the bases of the hospital insurance plan could be brought to the attention of the hon. members of the Legislature and to the public.

It also went on to say that the committee recommended that the government pursue further studies in order to come up with a practical, reasonable plan which would benefit all the people of the province and which could be worked out with the federal government.

Anyone who was present at that time will recall the words which came flying thick and fast. I recall the hon. member for Bruce (Mr. Whicher's) last words as being: "You are railroading this motion for adjournment; you have no intention of proceeding with the plan."

The committee, having adjourned *sine die*, reconvened, and a year later, today, we have all been voting—including, I am sure, the hon. member for Bruce—to pass the second reading of this historic bill.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I am very pleased to sup-

port this bill. At long last we now have something, I think, which, perhaps, in the fulness of time, will really mean something to the people of Ontario.

But it is very interesting to consider the arguments that have been put up over the years in opposition to a hospital plan for the people of Ontario, particularly the pet argument of many, which was that there was an insufficiency of beds—and I think I have heard the hon. Prime Minister say that himself. We are entering into this plan with still an insufficiency of beds, because there are only 4 beds per 1,000 in the province of Ontario; and yet in the province of Saskatchewan they have 7.8 beds per 1,000 of the population.

HON. MR. PORTER: That is where they all are—they are all asleep!

MR. T. D. THOMAS: In Saskatchewan there are 7.8 beds per 1,000. This is the question I would like to put to the hon. Prime Minister:

In the administration of hospitals and in the construction of them today, a large amount of capital is obtained by public subscription from the people in the particular area. If the commission is to step in and control these hospitals, then I would suggest to the hon. Prime Minister there must be a revision of the whole scheme, because obviously if the commission is to function efficiently, the province of Ontario must now get more than \$1,000 a bed.

HON. MR. FROST: I do not want the hon. member to be under any misunderstanding. This is an insurance scheme. We are not going into the ownership of hospitals. I think some quarters there would be very much opposed to that, and I think it would be wholly undesirable.

This is not a question of going out and building hospitals. This is an insurance plan, and we will continue to give assistance, and the federal government will, and I hope that the people of this province will continue, as I know they

will, to support the building of hospitals. That is the way to carry this thing along.

MR. R. WHICHER (Bruce): Mr. Speaker, may I ask the hon. Prime Minister whether this legislation conforms with the arrangements as between the two governments? For example, section 15 provides that "Subject to the approval of the Lieutenant-Governor, the commission may make regulations." I presume that type of thing is acceptable to Ottawa?

HON. MR. FROST: Yes. We are contemplating working in line with the offer.

MR. H. C. NIXON (Brant): May I ask the hon. Prime Minister: Is the Ottawa plan, or offer, completely finalized?

When it was discussed recently in the House, it was announced that there were important changes. I notice, with respect to the attitude of the province of Manitoba, that it is reported that they are in no hurry to sign because they do not want to abandon their strong bargaining position. What has Manitoba, or any other province, to bargain with, with respect to the arrangements of the deal that might be obtained?

HON. MR. FROST: I think that is a very good question, but it all hinges on this: that the Ottawa government has said that they will not bring this plan into effect until there is agreement with 6 provinces representing the majority of the people. Therefore, Manitoba's bargaining position may be that, if there are 5 and they are the sixth, perhaps there might be some bargaining at that point.

I understand there is a Liberal government out in Manitoba. We do not do that kind of thing.

MR. WHICHER: I remember very well in the committee last year that, in discussing the possibility of financing this plan through premiums, the hon.

Prime Minister suggested that it might take an army of bailiffs to go around and collect the premiums.

HON. MR. FROST: I would say that it is one of the great objections to a plan that is mandatory from its start. I think that is completely impracticable—to have a plan that is mandatory from the start. If it is universally mandatory, one is in trouble. It would be necessary, I think, to resort to a plan that would not be based on premiums at all. That is the strength of our position, and I am very glad that point of view has been accepted by the federal government.

I always give the federal government credit where credit is due. I think in accepting that point of view it was sensible, and it was a proper decision on their part.

The point is that if we were to make it universally mandatory, why, of course, we would have to have an army of bailiffs charging around for goods and grabbing refrigerators and what-not to pay those premiums which, of course, would be wholly and totally undesirable.

I think the sentiments that were expressed in committee the other day by the hon. member for Oshawa were completely right in that, if we started out to make something mandatory, which is on a premium basis, of course, our cost of administration would be much higher, and that would be translated either into the premiums, or from the consolidated revenue.

I think the present plan is one that permits steady development and which would be consistent with keeping down the cost of administration and other costs to the very minimum level.

MR. WHICHER: I remember last year that, in his objections to arranging this thing, the hon. Prime Minister said that it was going to cost the province of Ontario approximately \$190 million.

HON. MR. FROST: That was based on that base year.

MR. WHICHER: Remembering the federal contribution to this plan and the fact that the people themselves—the individuals—are going to pay it through a premium, I wonder if the hon. Prime Minister would now give an estimate of the cost to the consolidated revenue of the province of Ontario above that which is already paid by the province?

HON. MR. FROST: The hon. member was at the committee meeting this morning when we discussed this matter quite thoroughly.

MR. WHICHER: I would like the hon. Prime Minister to say how much for the benefit of *Hansard*. How much is it going to cost?

HON. MR. FROST: In answer to that question, may I say that my recollection is that the hon. member for Bruce was one of the doubting Thomases a year ago to this very date—on March 28, 1956. He was one of the doubting Thomases.

MR. T. D. THOMAS: Were there others?

HON. MR. FROST: I am talking about the Biblical Thomas, not the one from Oshawa.

MR. MacDONALD: On the basis of the hon. Prime Minister's past record, there is plenty of room for doubt.

HON. MR. FROST: The hon. member for York South lives in a perpetual state of doubt and disquiet.

As I said the other day, it would appear to me that our contributions to this plan from the consolidated fund for the mental and the tuberculosis hospitals—I can make only an approximate estimate that it would be about \$50 million.

I would be frank and say to the hon. member that I would hope to make that less.

It must be understood that I have in my veins the strains of my old Scottish ancestry, and I do not like to throw money away, and I hope that the deal that can be put through will be economical, and I will save every cent I can save.

I am not speaking only for myself, because I think the hon. Provincial Treasurer is particularly interested in every cent we can save, for ourselves, of the consolidated revenue by the premium contribution and by the government of Canada, half of whose bills we pay.

MR. OLIVER: On that point, I am not arguing that they should not save money for the consolidated revenue fund. All I would say to the hon. Prime Minister is that if we had any doubts in our minds last year, it was because of the dire predictions as to cost that were thrown around at that time.

Today he says he thinks it will cost about \$50 million. It will not cost anything of that kind, so far as the consolidated revenue fund of this province is concerned, and the hon. Prime Minister knows that quite well.

HON. MR. FROST: More than it is costing now.

MR. OLIVER: More than it is costing now. The hon. Prime Minister is almost suggesting that we are not going to continue to pay the present cost.

HON. MR. FROST: I did not say \$50 million more. I said \$50 million.

MR. OLIVER: That is a little misleading. The hon. Prime Minister is presently paying the cost of a substantial character. He continues to pay those costs whether he goes into this scheme or not.

HON. MR. FROST: Of course we will.

MR. OLIVER: And all the hon. Prime Minister will be "out", from a monetary point of view, are the costs of the administration of the plan. Besides that, he is going to put a charge on the premium for mental hospitals that will take care of some of the costs he is presently paying, and from a strictly monetary sense, I doubt very much if he will have to spend a single dollar of provincial money.

HON. MR. FROST: I would be very glad if that were the case.

MR. OLIVER: I am not saying I would not be.

HON. MR. FROST: Why is the hon. Leader of the Opposition asking this question? Both he and his "side-kick", the hon. member for Bruce, are throwing this out. The hon. Leader of the Opposition would like to see us get a hayrake, shovelling out dollar bills that come from the hard pressed taxpayer of this province. Of course, I want to see it economically run, and I will assure the hon. Leader of the Opposition, if we can reduce the contributions, if it does not cost the government any more from the consolidated revenue fund of this province, then he, as a taxpayer, ought to throw his hat up in the air and cheer.

MR. OLIVER: Good.

HON. MR. FROST: Let me say this. The hon. member for Bruce was not at the committee meeting the other day, and apparently the hon. Leader of the Opposition did not hear what I said.

MR. OLIVER: Yes, I did. The hon. Prime Minister says so many things in so many different terms, it is hard to sift the wheat from the chaff.

HON. MR. FROST: This is what the hon. Leader of the Opposition said 365 days ago today. I very well remember the day, and here he is with the bill in front of him ready to vote for it.

To get down to brass tacks on this discussion, here is the argument which had been advanced by hon. Mr. Martin and by many others, that hospitalization is costing us so much money today, but that it is not being evenly paid. The poor person who is ill has to pay the big end of the bill at the time when he or she is incapacitated, and when his earning power is gone. That is the problem.

It is true that we are putting money into mental and tuberculosis hospitals, and into hospital deficits and indigent patients. We are getting all of this money together into the one pool, and are treating it on an insurance basis.

I say to the hon. Leader of the Opposition I hope to goodness it does not cost the people of Ontario any more; I hope it does not cost our budget any more.

The success of this scheme should not be evaluated on the basis of how large a shovel we can get to throw \$10 bills into the furnace of expenditure. It ought to be evaluated on a basis of what we can do to take the money that we are spending presently in the province of Ontario and spread it in an even sort of way amongst our people, so that everybody benefits and nobody suffers. That is what we want to do.

MR. T. D. THOMAS: Mr. Speaker, there is one question I would like to put to the hon. Prime Minister.

Last year, if I remember rightly, the commission consisted of 3 members, and in the present regulations it says, on order-in-council or order of the Lieutenant-Governor, it may be increased from 3 to 7. I wonder if the hon. Prime Minister has in mind that at some time he might increase the number on the board.

HON. MR. FROST: Yes. But I do not think in this organizational stage that it is required, not at the moment.

MR. T. D. THOMAS: Not at the present moment?

HON. MR. FROST: No.

Motion agreed to; second reading of the bill.

DEPARTMENT OF TRANSPORT

Hon. Mr. Frost moves second reading of Bill No. 166, "An Act to Establish The Department of Transport."

He said: Mr. Speaker, I do not think that it is necessary, in view of the very helpful discussions that took place today in relation to the highway problem, for me to elaborate on this matter.

The discussions today indicated there is the huge sum of \$235 million being expended this year. The hon. Leader of the Opposition said about a third of our outlay is expended by this department.

It is obvious, I think, that the executive of this department are going to find their hands completely full in the engineering and other details of road building without becoming involved also with subsidiary matters.

The purpose of this bill is really contained in the recommendations of the toll roads committee. It involves, as has been discussed and as we have said here on other days, such matters as imposing an additional gasoline tax and an additional diesel oil tax to take care of the cost of highways. A year ago, in raising the licence fees for motor vehicles, we found it was not an answer to this problem. It is not by any means a complete answer to this problem.

In the matter of highway construction, we must have research. The hon. member elaborated upon that this afternoon. But I would say that research, of course, extends to many other things involving the department than the mere physical building of highways.

I doubt that any engineer, or any executive who is in charge of that department as a Deputy Minister with a staff beneath him, can take the time to do all that is necessary to be done. After all, there are only so many hours in the

day. This, I think, gives an opportunity of meeting that situation from a practical standpoint.

Also, I think it affords opportunities of investigating something in which I am very much interested, and that is a tax system related to weight and highway use, which in my opinion is a very necessary thing.

I recognize that one cannot do those things overnight. Regarding the points which the hon. member for York South discussed last night, some of those things I think are very desirable but we have to translate them into what is practical, and I think that this would be one of the purposes of this department.

Then again there is the great question of highway safety, on which it is not necessary for me to elaborate. This bill is obviously and intentionally drawn in very general terms with the idea of building up a Department of Transport that will deal with the problems of the operations of highways, as contrasted with the matter of building and constructing the highways system.

MR. OLIVER: Mr. Speaker, I am very much interested in what the hon. Prime Minister said, and I would like to say that he has said before that this new department is going to give deep and continued study to certain aspects of the highway problem.

Now, is this new department to be a study department, or is it to be an administrative department as well? Are there going to be administrative duties assigned to it?

HON. MR. FROST: Yes, it will be administrative.

MR. OLIVER: Before the hon. Prime Minister answers, perhaps I should know this, but I do not:

Is the segment of the municipal board's work, that was transferred to another area, to be put under this Department of Transport? That is, in regard to such things as the issuing of

and the hearing of applications for public commercial vehicles licences?

MR. NIXON: There is no other important principle in the bill?

HON. MR. FROST: I have not, nor has council, given consideration to some of those details. Generally I would favour that being done. I would think personally that such things might come under The Department of Transport, but again I would not want to give that as final answer.

HON. MR. PORTER: None whatever.

MR. NIXON: Or departure from present law?

HON. MR. PORTER: No.

Motion agreed to; second reading of the bill.

Motion agreed to; second reading of the bill.

THE SUCCESSION DUTY ACT

Hon. D. Porter moves second reading of Bill No. 118, "An Act to amend The Succession Duty Act."

He said: Mr. Speaker, I propose in committee to move for the withdrawal of section 1 of this bill. The purpose of the amendment was to re-establish the principle of assessing duty in the case of a trust fund, as it stood at the day of the death of the creator of the trust.

A case of this sort went to the Supreme Court of Canada in the Hatch estate, and it was decided that the principle of assessing the duty was at the time when the money was put into the trust fund. That was their interpretation of the law as it stands.

This section was intended to reverse the effect of that decision, and to put the law back to where it had always been; it having been assumed for that time by the departmental officials that the law was the reverse of what the Supreme Court decided that it was.

After further consideration of this proposed change, many difficulties arose in attempting to define in a statute the law in a way that is different from the decision of the court. Therefore it has been decided that we shall adopt the decision of the Supreme Court without attempting to change it at all.

The other sections are matters of detail which I explained on first reading.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION ACT

Hon. Mr. Porter moves second reading of Bill No. 156, "An Act to amend The Ontario Municipal Improvement Corporation Act."

He said: Mr. Speaker, this bill increases the amount which may be loaned under The Ontario Municipal Improvement Corporation Act to the sum of \$150 million. At present it stands at \$50 million.

The number of applications which have recently been coming in, to take advantage of the provisions of this Act, have been increasing in value from month to month. In view of the high interest rates, the tight credit policy of the Bank of Canada and the government at Ottawa, the municipalities have had very great difficulty in raising money at any interest rate, the result being that there have been many more applications for moneys from this fund than ever before.

MR. OLIVER: What is the interest rate charged?

HON. MR. PORTER: The interest rates under this Act are 5.5 per cent., 6 per cent., and 6.5 per cent. I think those are the rates.

MR. WHICHER: They are very low.

MR. NIXON: Why do they vary?

HON. MR. PORTER: For the first 5 years, I believe the interest rate is 5.5 per cent. Then for the next 5 years it is 6 per cent., and for the following 5 years it is 6.5 per cent. I believe that is the way in which it works.

MR. NIXON: Does that apply to all municipalities?

HON. MR. PORTER: Yes. It is not a different percentage for different classes of municipalities, or anything of that sort.

The municipalities are facing very great difficulties in view of the tight money policy, and unless we are prepared to enlarge the scope of this Act and meet the situation which may arise within the next 12 months, many of them will find themselves in the position where they simply cannot borrow money for their essential projects.

That was the purpose, Mr. Speaker, for requesting the authority to loan beyond the \$50 million amount up to a total of \$150 million, which we think and hope will be adequate to take care of the next 12 months' business.

MR. T. D. THOMAS: Mr. Speaker, on that point, obviously the province of Ontario can borrow money much cheaper, or at any rate a little cheaper than can the municipal governments under this plan. If the money market improved and a municipal government that had taken out debentures for 5 or 10 years wished to redeem those debentures any time within that 5 or 10 year period, could they do that, in order to take advantage of the lower interest rates?

HON. MR. PORTER: Certainly. They could redeem their debentures at any time, held by this fund. We would encourage that.

MR. NIXON: The hon. Provincial Treasurer referred to the tight money policy of this country due to the atti-

tude of the Bank of Canada and of the federal government. Their influence does not extend into the United States, he will admit that, I am sure. But a few years ago he was running constantly to the New York market for money. Now, if the policy here is so tight, why does he not go over there now and get his money? Is it just as tight over there?

HON. MR. FROST: Mr. Speaker, it is very unwise to have borrowings outside of the country beyond a certain percentage. My recollection is that we were running around about 20 per cent., something of that sort, of borrowings abroad. Of course, we could borrow 100 per cent. but the hon. member for Brant knows that there are disabilities in that. At one time the exchange rates went the other way, and it cost a lot of "dough." The hon. member knows that very well. He made many speeches about it and I learned a great deal from him in those days.

MR. NIXON: Mr. Speaker, I wonder if the hon. Prime Minister would mind answering my question, please, and not go around the block and drag in two or three red herrings? What can he borrow money for now in New York?

HON. MR. PORTER: That depends upon all sorts of things. All I can say is that we borrowed money here the last time for the hydro main, at slightly under 5 per cent.

MR. NIXON: Why, Mr. Speaker, it was a straight 5 per cent. loan at 100.

HON. MR. PORTER: Yes.

MR. NIXON: Why does the hon. Minister say that it is under 5?

HON. MR. PORTER: We have to include the cost of servicing.

MR. NIXON: That makes it over 5, then.

HON. MR. PORTER: Oh, no, it was a 5 per cent. coupon—I think it was a straight 5 per cent.

MR. NIXON: That is right. But with the cost, it cost the hon. Provincial Treasurer more.

HON. MR. PORTER: And the New York rate is generally a little lower than our rate; it has been over the last few years in the exchange situation as it was. We borrowed in New York a year ago for Hydro. Then, my recollection is that it was something a little less than 4.75 per cent. that we paid on the New York market at that time, a little less than that, but the exact figure is not at hand.

Generally, there is a slight differential, but at that time the market was so tight here that we were advised that one could not borrow that money at that particular moment in Canada but there was a chance of getting it in New York, which we succeeded in doing.

We borrow in Canada preferably on all occasions. If we never had to go to New York, it would be better, I think, for us to borrow all the money we borrow, right here in Canada. But sometimes there are favourable conditions where we might be able to get a better deal on the New York market, due to many factors, than we might at the moment here.

But the more we borrow in New York, the more we pay foreign exchange.

MR. NIXON: Yes, yes.

HON. MR. FROST: Let me say, Mr. Speaker —

MR. NIXON: First, would the hon. Minister please answer this question?

HON. MR. FROST: Yes, certainly.

MR. NIXON: Did this government investigate the New York market before the last \$100 million Hydro issue?

HON. MR. PORTER: Yes.

HON. MR. FROST: That is right.

MR. NIXON: And how much cheaper could this government have borrowed that money there, than it borrowed here in Canada?

HON. MR. PORTER: I could not answer that offhand.

MR. NIXON: Then why does the hon. Provincial Treasurer do so much talking about tight money and blaming the federal government and the Bank of Canada for that? It is just as tight over in New York.

HON. MR. FROST: I am really not interested in theories. I am interested in practical results. First of all, may I say that we have, despite the fact there are some differences of view in connection with our financing, kept the credit of this province at a very high standard, with the result that we are able to get money. But the practical result is that a few years ago we were able to borrow money at 3 per cent. Today, on this 28th day of March in the year 1957, it costs 5 per cent. There is a 2 per cent. increase, and the direct cause and the direct responsibility for that increase in interest rests upon the Ottawa government.

MR. WHICHER: Mr. Speaker, that is wrong, that is entirely wrong.

MR. NIXON: Mr. Speaker, I certainly challenge that, because if the hon. Prime Minister could get his money cheaper in New York where the federal government of Canada has no influence whatever upon the market, he would go there and get it. The fact is that money is just as tight there as it is here.

HON. MR. FROST: That may very well be, but may I point out that we are not responsible for conditions in New York or what the cost of money there is, whether it is 10 per cent.; but I

would say that the Bank of Canada and the Canadian government is directly responsible for the interest rate of 5 per cent. that our people have to pay here.

MR. WHICHER: No, no.

HON. MR. FROST: Of course they are. Well, all right, then let me point out that the other day Mr. Coyne, the governor of the Bank of Canada, came out with the suggestion that they segregate the savings accounts of people for mortgage investment and things of that sort. Then I see yesterday that the hon. Mr. Harris announced that this is not going to take place.

Therefore, if the hon. Mr. Harris can veto the Bank of Canada segregating savings accounts to mortgage investment, he can also veto the rise of interest rates from 3 per cent. to 5 per cent. So I would say that he is directly responsible, and the Ottawa government is directly responsible for what has happened.

MR. WHICHER: Mr. Speaker, is it not true that if the federal government did keep money at a low rate here, a figure we will say of 3 per cent., that New York, which needs a lot of money down there, would in turn come over here and borrow money? Obviously we are influenced by the financial market in New York, always have been and always will be.

HON. MR. FROST: New York has nothing to do with our rates.

MR. T. D. THOMAS: Mr. Speaker, some of the municipalities have been interested in the New York market, and of course percentagewise they could borrow at a little less interest than they have to pay in Canada. But when one considers the rate of exchange and adds those things up, the rates in New York are not so attractive, and these same

municipalities have turned their attention to the municipal improvement corporation.

MR. WHICHER: Mr. Speaker, under this bill the government is not doing the municipalities any great favour, when their rates go as high as 6.5 per cent.

HON. MR. DUNBAR: Let the hon. member vote against it, then.

Motion agreed to; second reading of the bill.

MR. SPEAKER: Order. It now being 6.00 of the clock, I do now leave the chair, and the sitting will resume at 8.00 of the clock.

HON. MR. FROST: Mr. Speaker, before you leave the chair, may I say that after the recess I would like to proceed with orders Nos. 47 and 48, that is, the next two orders that have been called. I would like then to proceed with resolution No. 3, which stands in the name of the hon. member for York South in relation to education and in relation to bursaries; after which I would like to go down the list of second readings here, and very probably deal with order No. 69, which stands in the name of the hon. member for Waterloo North.

This is without prejudice to calling anything that is on the order paper, Mr. Speaker.

MR. OLIVER: Mr. Speaker, may I ask the hon. Prime Minister if he thinks that we will reach the highways estimates tonight?

HON. MR. FROST: Possibly.

MR. MacDONALD: That is as clear as mud.

It being 6.00 o'clock, the House took recess.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, March 28, 1957

Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Thursday, March 28, 1957

Ontario Fuel Board Act, 1954, bill to amend, Mr. Porter, second reading	1749
Resolution to consider establishing student-aid fund, Mr. MacDonald, negatived	1761
Amendment to Mr. MacDonald's resolution, Mr. Macaulay, carried	1763
Gas Pipe Lines Act, 1951, bill to amend, Mr. Porter, second reading	1777
Liquor Licence Act, bill to amend, Mr. Dunbar, second reading	1777
Liquor Control Act, bill to amend, Mr. Dunbar, second reading	1777
Ontario Water Resources Commission Act, 1957, bill intituled, Mr. Porter, second reading	1778
Registration and Regulation of Children's Boarding Homes, bill to provide for, Mr. Cecile, second reading	1780
Public Health Act, bill to amend, Mr. Phillips, second reading	1780
Pharmacy Act, bill to amend, Mr. Phillips, second reading	1782
Municipality of Metropolitan Toronto Act, 1953, bill to amend, Mr. Warrender, second reading	1783
Raising of Money on the Credit of the Consolidated Revenue Fund, bill to authorize, Mr. Porter, second reading	1783
Certification of Plans of Subdivision in Order to Establish Title Lands, bill to provide for, Mr. Roberts, second reading	1784
Registry Act, bill to amend, Mr. Roberts, second reading	1785
Investigation of Titles Act, bill to amend, Mr. Roberts, second reading	1785
A Uniform and Simplified Procedure for the Enforcement of Statutory Duties and the Review of the Exercise of Statutory Powers by the Courts, bill to establish, Mr. Wintermeyer, discharged	1785
Resolution re Ontario Municipal Improvement Corporation Act, Mr. Porter, concurred in	1793
Resolution re Financial Administration Act, 1954, Mr. Porter, concurred in ..	1793
Resolution re Act to Establish The Department of Transport, Mr. Frost, concurred in	1793
Resolution re Registration and Regulation of Children's Boarding Homes, Mr. Cecile, concurred in	1793
Township of Scarborough, bill respecting, reported	1794
City of Hamilton, bill respecting, reported	1809
City of Windsor, bill respecting, reported	1809
Motion to adjourn, Mr. Frost, agreed to	1810

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, MARCH 28, 1957

8 O'CLOCK P.M.

The House resumed.

THE ONTARIO FUEL BOARD ACT

Hon. D. Porter moves second reading of Bill No. 157, "An Act to amend The Ontario Fuel Board Act, 1954."

He said: Mr. Speaker, this bill is to extend the powers of the fuel board to enable them to exercise control over fuel oil equipment, with the necessary powers which flow from that. At the present time, under the board we have the power with reference to gas installations and we have exercised that power by passing regulations which have enabled the fuel board to inspect and provide for inspection and for standards of workmanship relating to the installation of gas appliances.

Considerable trouble arose when natural gas was first introduced into certain parts of this province, as a result of a number of installers who came in and installed gas furnaces and gas equipment of one kind and another. The distributors were not aware that it was being done until after the work had been completed, because these installers went into the houses and installed the equipment and some of it was defective.

However, as a result of powers under the Act, it was possible to pass regulations which in the first place established a uniform code of standards for the sort of equipment and the sort of installations which would be safe and adequate. This

code was worked out as a result of conferences with a number of the other provinces which had had the same trouble, and we have now what in effect is a national code of standards with respect to safety precautions relating to gas appliances.

We have found that with the fuel oil equipment a similar problem has arisen, although perhaps not quite as aggravated—but in some municipalities there are by-laws which provide for certain standards of workmanship and safety, and those by-laws differ. One of the purposes of this amendment is to give the fuel board power to establish a uniform code, which we understand will be acceptable to the municipalities which already have codes.

A number of conferences have been held with the municipalities which have these problems and they are favourably disposed to a uniform code. In some cases, the municipalities may desire to continue their own inspection services. In some municipalities, there is no inspection service, and with the gas inspection service we have, we can take care of that.

The whole purpose of this bill is to give power to undertake those responsibilities and to regularize and improve the standards of equipment and the standards of installation as they are in this province. It will also include power to deal with the propane installations which in some places might involve a dangerous situation if some control is not exercised over them.

I think, Mr. Speaker, that is the purpose of this bill.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Speaker, may I ask the hon. Provincial Treasurer for a further explanation of the method by which the inspections will be carried out? Who appoints the inspectors?

HON. DANA PORTER (Provincial Treasurer): I am sorry, I did not hear the question.

MR. WINTERMEYER: I would like to know something about the method by which the inspection will be carried out; for example, who appoints the inspectors in areas where the municipalities do not appoint their own inspectors?

HON. MR. PORTER: The fuel board has now a staff of inspectors who are qualified to inspect as to gas and oil, and the same qualifications apply. With the gas inspection, the responsibility is on the gas distributing company to do their own inspecting. However, we have inspectors in certain centres who make spot inspections to make sure the local inspection is being done properly.

In connection with the oil installations, inspections can be made by these same inspectors in places where there are not now local inspectors, and if the municipality has a by-law and an inspection system which they wish to continue, that is all to the good.

The main object which we expect can be accomplished by this Act is that the contractors who instal appliances will be registered with the fuel board and if it is found that some faulty installation is made, they will endanger their right to do business or may be subject to a fine. It may take some time before a very full inspection can be done by the fuel board. They do not intend to make an inspection of every installation, but they will be there to follow up cases where any trouble arises.

In municipalities where there is a local system of inspection, they will not have to touch that. It will give the board general powers to deal with this problem.

MR. WINTERMEYER: That is all I want to be assured of, Mr. Speaker, because I believe the hon. Provincial Treasurer is more familiar than I with the fact that there have been criticisms of the inspection system to the extent that certain companies have been accused of deliberately insisting that the facilities be purchased from them, or else they would not approve of the installation.

Now whether those accusations are true or not, I do not know, but it is certainly a terrible thing if they are, and I would hope that this Act fortifies the fuel board to the extent that it can rid the province of that sort of situation.

HON. MR. PORTER: That is one of the problems that the fuel board has become apprised of, and they have made their position very plain in regard to this situation.

MR. T. D. THOMAS (Oshawa): I wonder if the hon. Provincial Treasurer could tell us how many inspectors the fuel board has at the present time, Mr. Speaker?

HON. MR. PORTER: I do not know what the present standing is. We have perhaps a dozen inspectors. There is one inspector in London, I believe, and one in Windsor—there are some in Toronto—but most of the gas inspection is done by the utilities, and these inspectors do a certain amount of spot checking and supervision.

MR. T. D. THOMAS: Would there be more than 3?

HON. MR. PORTER: Yes.

MR. T. D. THOMAS: How many? The hon. Provincial Treasurer does not know?

HON. MR. PORTER: I can get those figures if the hon. member for Oshawa thinks it is of sufficient importance.

MR. R. WHICHER (Bruce): Mr. Speaker, may I ask the hon. Provincial

Treasurer, in connection with some of this criticism which has been given, if he has ever found any of it to be justified? Because if there is any of it justified surely it is a serious matter.

HON. MR. PORTER: Which criticism does the hon. member refer to?

MR. WHICHER: Well, perhaps in purchasing appliances, one has to deal with a certain company or he does not get the service he should.

HON. MR. PORTER: I think that is fairly well cleared up, as I understand it. That was so, I believe, in some instances; some companies did attempt to do that. But the fuel board has been examining into that problem and I hope they have pretty well overcome it.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, what has happened that the hon. Provincial Treasurer can say that he thinks it is pretty well cleared up? Have there been moves made to eradicate that trouble?

HON. MR. PORTER: The companies which to this have been advised that they must discontinue that sort of thing.

MR. OLIVER: Or else what?

HON. MR. PORTER: Well, we have no control over that.

MR. OLIVER: The hon. Provincial Treasurer has control over the board.

MR. H. WORTON (Wellington South): Mr. Speaker, may I ask the hon. Provincial Treasurer what method is being taken with respect to some of these rural installers of propane gas? Do they have to take out an installation permit and is that passed on by the fuel board?

HON. MR. PORTER: That is a very difficult problem, but it is one of the problems which under this Act they

will have power to deal with. They have not worked out a complete programme for dealing with that, because as the hon. member knows, they are scattered over the country and it is impossible to have a central system of inspection for each one.

However, I understand they are contemplating working out some system of registration of the installers and have control over them in that way at least. Whether they will be able to do more than a spot check in that respect, I could not say, but at least the registration system will go quite a long way to give them control over that sort of activity. It is a step in the right direction and it may take some time to work out.

We do not want to get into the position where we have to have a large fleet of inspectors, because that causes great difficulty and is very seldom satisfactory. But by a registration system, we know who is doing the business. If a man does business and is not registered, then he is subject to certain penalties. Such a procedure might go a long way towards solving the problem.

MR. WORTON: And the same method applies in fuel oil installations?

HON. MR. PORTER: Yes, it applies to oil furnaces and that sort of installation in a private house where they put in a furnace and they have to attach their two electrical attachments. There are a great many explosions which occur in oil furnaces, as the hon. members may know, some of them due to faulty installation and some of them due to some other reason.

But, generally speaking, the installations of fuel oil equipment are pretty well controlled by the oil companies themselves. They work with the installer and try to see that the installer is properly qualified, and when they sell the oil to the customer they want to make sure that there is not going to be an explosion, because it is bad for their business.

MR. P. MANLEY (Stormont): There are a number of private individuals who are selling certain equipment and they have no connection with the oil companies. I am referring to some of the rural municipalities where they have no by-laws to cover this at all. What sort of inspection is going to take place in regard to those private individuals who are selling oil equipment and installing furnaces where there is no by-law, or they are not connected with any particular oil company?

HON. MR. PORTER: Well, of course, the details of this will have to be worked out and it may take a little experience before it can be handled adequately and as simply as possible.

This Act gives the board the power and authority to enforce any regulations that they desire to bring in. If the installers have to be registered and there is a nominal fee of some kind, registered installers only will be permitted to instal these rather complex installations, and that gives them some control to begin with; and the inspector of the fuel board in that area of the country will make it his business to go around and make spot checks on the work these people do.

As I understand it, that is what they have in mind; but as I say, this gives the power, and they will have to learn by experience. If it becomes a job of great magnitude on inspection, the hon. members will realize that once you get too many inspectors you have to have an inspector to inspect the inspectors; and we want to keep the inspection part of this as limited as possible. The main thing is to make sure that the installers are people who are qualified to do this sort of work, because it not only involves knowledge of plumbing, but it involves the knowledge of the electrician to some extent.

In some of these installations they have electrical appliances and all sorts of complicated mechanical devices for doing all sorts of things. The main thing is to attempt to make sure that people who do this job are people who have some qualifications for doing it.

MR. WINTERMEYER: May I ask the hon. Provincial Treasurer what the policy of the fuel board is in regard to disputes between local utilities and gas distributing agencies when franchises are sought for the exclusive right to retail gas in a certain area?

HON. MR. PORTER: I am sorry; I was interrupted. Would the hon. member repeat the question?

MR. WINTERMEYER: I am concerned about the policy of the board with regard to the installation rights when you have a dispute, or a fight, for the franchise for the distribution of gas in a certain area between local utilities and a private company.

HON. MR. PORTER: The policy of the board is, I expect, that when the municipality passes a by-law they award the franchise to a certain company, or they pass a by-law to set up a public system of distribution, if they so desire. The first obligation of the fuel board is to make sure that the company that has been appointed in that way has the financial ability to carry out the contract, or franchise, and has the engineering background to be able to carry out the project properly.

If the municipality wants a public distribution system, well, of course, that is their decision, and the fuel board will grant them the franchise if that is what they decide, providing that they have the proper engineering opinions and whatever is necessary to make it feasible and practically possible. And, of course, then, the municipality, if it sets up a public system, would have to borrow money for installing the pipe and for doing all the work, and it would have to go to the municipal board to get approval for debentures for that purpose.

That would, of course, have nothing to do with the fuel board itself, but the fuel board would attempt to make sure that they knew what they were doing, that they knew what engineering facilities they would have and what the probable cost may be, and so on.

Sometimes there are some municipalities who will grant a franchise to two or three companies and put it up to the fuel board to decide. That is not a very easy problem to be faced with.

MR. D. C. MacDONALD (York South): Mr. Speaker, there are one or two questions with regard to the general powers of the fuel board which come under the principle of this legislation—

HON. MR. PORTER: This Act has to come on proclamation, I may say.

MR. MacDONALD: The last time a comparable bill came before the Legislature I asked the question what was the likely action of the fuel board with respect to the whole range of problems in the Lambton gas area. I understand the government has now taken certain actions by calling in an acknowledged expert in that field and so on, and I would like the hon. Provincial Treasurer to indicate what is likely to develop in that particular field. There is a second point, but does the hon. Provincial Treasurer want to deal with the first one now?

HON. MR. PORTER: Perhaps the hon. member would allow me to deal with them one at a time.

I do not know that I am in a position to say at the moment what action will result from the studies that have been made. I am not sure whether they are quite completed yet by the expert who was engaged. As hon. members know, there are several complicated problems, and it may take a little time to work out a solution.

MR. MacDONALD: The reason I bring this up is that the last time I raised this question in the House the hon. Provincial Treasurer, in effect, said: "Take this up with the chairman of the fuel board, who might be called before the standing committee."

There a very interesting problem emerged, one which almost placed me in the same position as the hon. Leader of

the Opposition with regard to government commissions—where normally I would not want to find myself—because we regard government commissions as something we should look at about 10 times before they are appointed.

I think a commission doing a job that has been designated is a logical kind of approach.

But, when we got to the real problem, and that is in terms of working out the relationship between the commission and the government which must implement policy and legislation to make it possible for the commission to do its job, it became rather obvious in our questioning of the chairman of the fuel board that there were many aspects of policy on which he would like to see some action. In fact, he almost invited a resolution from the committee to strengthen his hand, I assume, to get the government to take some action with regard to the quite serious points.

I do not want to go into it in detail because it involves the whole complex problem of the actual relationship between governments and government commissions.

To go back to one specific example, and I go back to something I have raised in this House before and I would not raise again if it were not that developments make it possible to look at them again, and that is the regulatory powers of the Ontario fuel board, with regard to the price of natural gas. There are two or three aspects of this, one part of it is admittedly beyond the jurisdiction of this province altogether, namely at the federal level with regard to the price which may be charged on trans-Canada pipe line, which is the jurisdiction of the federal government.

Since last we had an opportunity to discuss this in the House, the matter has progressed further in the House of Commons and they may have a reason but it absolutely baffles me. Mr. Marler, the hon. Minister of Transport, has admitted that in Ontario the board of transport commissioner has no power over the regulation of price by trans-Canada, but even further, and even more important,

that he has no intention of giving them the power. This happened about a week or 2 weeks ago in the House of Commons.

I say this baffles me, because I think I am correct in stating that I never heard before in the history of this nation of any private organization or public utility of any sort being given as what is described as a monopoly within a particular area without some automatic and immediate regulation of price which might be charged—whether it is railways, Trans-Canada Air Lines or what it may be.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I might bring the hon. member up to date on this matter. The hon. member says he is baffled by the actions of the government at Ottawa, and that is a state I am in almost perpetually. I would like to answer the question for this reason—that at the insistence of the hon. member for York South and the hon. Provincial Treasurer, I took it up with Ottawa.

MR. MacDONALD: And got some action.

HON. MR. FROST: I always give the hon. member action.

MR. MacDONALD: No, has Ottawa produced action?

HON. MR. FROST: First of all, I want to refer to action down here on King Street by the Toronto *Daily Star*, which is the favourite organ of the Ottawa government in many regards. This is an editorial of March 25th; I always read the *Star* editorial page. As a matter of fact, there are some good editorials, but I do not agree with this one, which says:

Why hands off the gas monopolies? Gas users are being neglected and let down by 3 levels of government.

They are not being let down by this level of government; I say that to the *Star*. Then, they go on:

The federal government refuses to control the wholesale prices charged

by Trans-Canada Pipe Lines Limited for the gas which it will deliver from Alberta.

Then, I say this is completely erroneous:

The provincial government has failed to give the Ontario fuel board the authority it needs to regulate the retail price of gas.

Of course, it has given it power and of course it has the powers. It goes on to say this:

In theory —

Mr. Speaker, it is not theory at all, it is written into the law, it is in this Act:

In theory, the board is all-powerful, it can limit the profits of the local distributors, and, therefore, their rates to a 7 per cent. return on investment.

That is a very positive power that our board has.

MR. MacDONALD: Why have they not done it with Union Gas?

HON. MR. FROST: With Union Gas, as a matter of fact, they have regulated on the whole regulation rate hearings.

MR. MacDONALD: At a 7 per cent. rate level?

HON. MR. FROST: By whatever level is prescribed in the Act, and this is because hearings have been held in public and by our board, too. It goes on to say:

In practice, the board is little more than a rubber stamp for the gas distributors —

I say to the old *Star*, with its tall building, that it is silly to say that, they must be dizzy from standing on the heights of that tall building down there:

— for it has no authority over finances or other factors which determine a company's investment and the charges the public must pay.

I say, for a paper which really writes in the main pretty good editorials — I enjoy the *Star* editorials—

MR. MacDONALD: Even if the hon. Prime Minister disagrees with them?

HON. MR. FROST: Sometimes; I disagree with this most emphatically. I think we have done a very good job and the fuel board which we have created has done a very good job for the consumers of natural gas in this province. However, that is only an aside.

MR. NIXON: Now for the meat of the coconut.

HON. MR. FROST: On March 11th I wrote to the Rt. hon. Mr. Howe, and I will read my letter and I want to ask the hon. member if I did not put it exactly on the line.

MR. MacDONALD: What year is this?

HON. MR. FROST: I am speaking about the year of our Lord, 1957, March 11th.

DEAR MR. HOWE:

There has been some concern expressed in the Legislature which is shared by the government of Ontario regarding the fact that there is no regulation of the price charged by the Trans-Canada Pipe Line Company on the price of natural gas sold in the province. I have promised to bring it to your attention.

MR. MacDONALD: Hear, hear.

HON. MR. FROST: Does the hon. member recollect me promising him that?

MR. MacDONALD: Yes, under pressure.

HON. MR. FROST: No pressure. The letter continues:

As you are aware, under the provisions of The Ontario Fuel Board Act, all rates for natural gas are fixed and as a result the earnings of companies distributing natural gas are regulated and controlled. The rate, however, can be fixed only insofar as it is charged to the ultimate consumer and the

difficulty arises due to the fact that there does not appear to be a provision in the federal Pine Lines Act for the board of transport commissioners to regulate and control either the profits of a gas transmission company or the price at which the transmission company sells gas.

Is that not the question?

MR. MacDONALD: Aye, aye, sir.

HON. MR. FROST: It is noted that the board has powers to require the gas transmission company to supply municipalities under part 3, sections 50 and 51 of the Act.

The hon. member can see I went to a very considerable amount of investigation to dig all that up.

It may be that your department has this problem under study at the present time and that it is intended to give the board of transport commissioners the appropriate powers necessary to assure the consumers in the province of Ontario that the price at which they purchase gas will be fair and just.

Is that all right?

The province is limited to the regulation of rates to be charged to the ultimate consumers of natural gas. These rates are fixed through public hearings.

I told that to the hon. member for York South and he ought to know something about this Act.

MR. MacDONALD: I will come back to that.

HON. MR. FROST: And in fixing the rates, the distributor of natural gas is restricted to an earning or return on his net investment of 7 per cent. The province is concerned not only with the price that transmission companies charge in the province, but also the relationships which this price bears to the sales made in other jurisdictions.

That is a relevant point, I think. The letter goes on:

There has been a suggestion that competition alone will satisfactorily regulate and control the selling price of Alberta gas here in the province of Ontario. This is not necessarily true, since as the volume of gas through the transmission lines increases, the cost of distribution will be considerably reduced which will, of course, result in increased earnings for the transmission company unless rates are accordingly revised.

In a matter of a few years, it would be quite possible that the cost of gas to the consumer would be quite excessive unless the selling price of gas or the earnings from this inter-provincial line were regulated in some manner.

I thought it would be well to set out the problem as it is viewed by this province in order to determine if some way might be found to protect the interests of the ultimate consumer and to assure that the cost of gas at each location along the inter-provincial line will not be excessive.

Availability of natural gas to the commercial and domestic consumer in this province will be of extreme importance in the coming years. It is therefore advisable to consider in advance the problems which might develop unless certain steps are taken now to safeguard the interests of the people.

I would be very pleased to have your views in regard to the foregoing matter.

Yours sincerely,
L. M. FROST

MR. MacDONALD: This is March 11th?

HON. MR. FROST: March 11th of this year.

MR. MacDONALD: In the reply?

HON. MR. FROST: The hon. member should not be over-anxious. He is always fretting and over-anxious.

MR. MacDONALD: I just want to get to the bottom of this.

HON. MR. FROST: The hon. member is always suspicious. He is always trying to get to the bottom of something or other. I am trying to give it to him.

MR. MacDONALD: That is my job.

HON. MR. FROST: Yes, I have an answer. March 16th:

DEAR MR. FROST:

Thank you for your letter of March 11th dealing with the question of regulation of the price charged by Trans-Canada Pipe Line Company for gas sold in Ontario.

As you know, prices paid to the producers of gas who have contracts with trans-Canada are under the control of the province of Alberta, and prices to consumers in your province are under the control of your government. The government of Canada is not

anxious to institute detailed control over the operation of natural gas pipe line transmission companies which would of course also involve it in the supervision over companies other than trans-Canada. However, this is a matter which is continuing to receive our careful attention, and if some control appears necessary in the public interest, appropriate legislation will be introduced.

Yours sincerely,
C. D. HOWE

That, I think, brings the matter up-to-date. I think the hon. member will agree I have brought the matter to the attention of the federal authorities, and that is the reply.

MR. WHICHER: And the hon. Prime Minister got a good answer to it.

HON. MR. FROST: The hon. member is too easily satisfied. I do not know whether it is a good answer or not.

MR. MacDONALD: Mr. Speaker, all I can say is, "Hallelujah, amen and bravo"—because, for one solid year, I have been trying to get this government to face up to this issue, and finally on March 11th they wrote a letter.

It is a very important issue—and to deal in the first instance with that aspect of it which is admittedly beyond the powers of the provincial government—that the reply of the federal government to the hon. Prime Minister is that some control will be implemented if the requirements demand it or some such thing as that, all I can say is, once again, this is an unprecedented situation. Never before in the history of Canada has the board of transport commissioners given a franchise, an exclusive franchise, to a railway or an airline or, in this instance, a common carrier without, at the very outset, indicating very clearly that there was a regulation of price.

What I am very puzzled by in the instance of these gas line companies, is when they can become the recipients of endless favours from the federal government and the provincial government too, as we found out this morning, why this regulation of price was not an automatic kind of proposition. Now it is being sug-

gested to us that they might implement some sort of regulation if the situation demanded it.

On the basis of past experience, the situation demanded regulation immediately, if it was a monopoly franchise that was given to them. However, all that is beyond provincial power. I want to come back to the provincial government where we have got power and where the jurisdiction lies with us and where there is no doubt about it.

The hon. Prime Minister, for example, suggested a moment ago, as he was reading this letter, that we hold public hearings. My first complaint is that we did not hold public hearings.

The Consumers' Gas Company has been operating on natural gas supplied here for something like two years or so now, and a number of people, including the *Toronto Daily Star*—which occasionally the hon. Prime Minister reads, and sometimes he agrees with, so he has told the House — have been pleading editorially almost every month that they cannot figure out why Consumers' Gas Company does not hold public hearings to have those interested parties—

HON. MR. FROST: The hon. member knows perfectly well. If he would read the *Star* as carefully as I do, he would see it is there. The municipalities in and about these metropolitan areas waive their right to public hearings.

MR. MacDONALD: Who did?

HON. MR. FROST: The municipalities have a right to agree to certain things, and the municipalities in the Toronto area waived their rights to a public hearing. They consented to the rate for the time being.

MR. MacDONALD: What does the hon. Prime Minister mean by "the time being"?

HON. MR. PORTER: I think there was a date set. It went on for a year, and then the matter came up again and the municipalities all agreed, and the

reason was this—we have to use a little common sense in this thing—natural gas came into the Toronto area not very long ago, about a couple of years ago—

MR. MacDONALD: Yes.

HON. MR. PORTER: Well, the Consumers' Gas Company commenced a programme of expansion and began to raise money and invest more money and lay more pipe lines, and they worked out a rate structure that was to be the first rate structure and they presented that to the fuel board. The fuel board examined their financial position as it was at that time but, of course, there was no experience to go on, to know how much of this gas they were going to sell and at what price, because in the rate structure there are different prices according to the sort of contract that is offered to the public.

There is one rate for the person who can pay for what he takes at any hour of the day or night. This is a very expensive type of contract. The contract that might go to an industry which will take the gas at any time the gas company wants to dump it on them is on a cheaper rate. The hon. member is familiar with that. Therefore, there is this complicated rate structure.

At that time—two years ago—there was no information at all as to how many contracts of one kind or another the company was going to be able to get or what sort of volume of business they would have over the first year, and it was impossible for the fuel board to say whether they were going to make 7 per cent. on their invested capital or not, when they were increasing their capital investment week to week by expanding the lines.

Until there is some period of experience which can establish whether or not the company is earning a profit of 7 per cent. on its actual physical assets, it seems to me that it would not be common sense to have a full-dress rate hearing when sometimes these hearings take many, many days. They are very expensive, and unless there is some object to be gained by them, it is better to post-

pone those hearings until there is sufficient time—some months or even a couple of years or more of experience, to determine what is a fair rate.

As a matter of fact, the gas company started with a certain set of rates. A number of months later they decided, I suppose in their own interests, that they could afford to reduce those rates, and hoped in that way to expand their sales, and the more gas they sell, then the better position they are in.

In order to do that, and I understand that this is substantially so, they took certain financial risks because they did not know until they tried it whether they would be able to sell enough gas at that lower rate to be able to cover their expenses. However, they did succeed in expanding on that new rate structure.

I think there was a third adjustment of rates, more favourable again to the consumer.

It is in the interests of the company to keep the rates as low as they can. That is the only way they are going to build up the volume of business that will make it pay.

Therefore, if the federal board interfered by having rate hearings of a prolonged and involved nature to find out just what the proper position of the company was, when the company is facing all these unpredictables, and when the company has not had any number of years' operation with this new product to be able to determine what would be a fair rate, it seems to me that that sort of rate hearing would be a rather useless affair.

So, faced with this problem the municipalities interested throughout the metropolitan area, when Consumers' Gas have a franchise, came in to discuss this matter and this problem was placed before them very fully.

The fuel board retains its right at any time to call for a hearing, if necessary, or at the instance of the municipalities it will also hold a hearing. The municipalities saw the sense of that position and there was some reduction in rate to

begin with, then a second reduction in rate, and, eventually, a third reduction in rate and they agreed that it was commonsense to let this thing go on a little further and see what the experience would show. Therefore, they consented to those 3 rate-fixings—I think there were 3—for those reasons.

I think the result of this is reasonably satisfactory because, in due time, when we have had sufficient experience, if we find they are making a profit beyond what is generally allowed in those cases, then the rates will be adjusted accordingly.

MR. MacDONALD: For the purposes of discussion, with regard to Consumers' Gas I am willing to concede for the moment the point the hon. Minister has made. I think there is some merit in delaying it for the simple reason that what Consumers' Gas is trying to do is to build up their volume; and they must build up their volume because they have committed themselves to trans-Canada for a larger amount than they are disposing of now, and if they are not able to do that, the fat is going to be in the fire as far as they are concerned.

But if we switch from Consumers' Gas to Union Gas there is no justification—none at all—for the fuel board not having looked into the situation where, obviously, Union Gas is operating beyond the 7 per cent. level.

HON. MR. FROST: Union Gas is doing the same thing. Union Gas has a contract with Pan Handle—with some company—and they are bringing up gas to the Don gas fields and they are doing their very best to extend their business down there and they are in the same condition.

In dealings over the years with Union Gas I have found them to be pretty satisfactory to the people and to the municipalities. As a matter of fact, when I held the office of Minister of Mines a number of rate hearings were held with Dominion Gas Company and Union Gas Company and, if I am not mistaken, the United Gas Company of Hamilton, and

they were satisfactorily handled. Mr. Crozier, the fuel board chairman, is a man of great experience in that field and I think he does a very excellent job.

I think the position of the consumer is very well protected in this province, having regard to the fact that we are in a period of expansion of the gas business with all the hazards that run with that.

As to Rt. hon. Mr. Howe's position in connection with trans-Canada it must be remembered that the delivery of gas is a very considerable period away. That may not come about for a year and a half—

MR. MacDONALD: Five years.

HON. MR. FROST: — or two years, in any event, for the length of time it will take to build the lines.

I must say I do not think Rt. hon. Mr. Howe's position is unreasonable. I think the situation will arise when gas comes down here. I think it was perfectly right for me to address that query to him. The question is there and can be dealt with at the proper time. I would say it will be probably a year and a half or two years before there could be any possible delivery so, perhaps, we would be anticipating things a long way off, so I do not think his position is unreasonable. I say that in view of the fact that some hon. members in this House think I am very hard on the federal government.

I want to say that I am a person who is ready to agree and so are my colleagues—

MR. MacDONALD: When things are going the hon. Prime Minister's way.

HON. MR. FROST: — and it is only when things are unjust and we are aggravated that we attack the people at Ottawa.

MR. MacDONALD: The exercise of the regulatory powers of the Ontario fuel board has absolutely no relationship to the question of when we get gas from

western Canada. The fact of the matter is, Union Gas is now getting it from Pan Handle.

HON. MR. FROST: If the hon. member—

MR. MacDONALD: If the hon. Prime Minister would just let me finish; I am being constantly interrupted. I am getting to the bottom of an issue which has taken a year to do, and it is a very important issue. If I had not persisted we still would not be coming to grips with it.

MR. SPEAKER: Order, order.

May I suggest to the hon. member we are away out of line on a second reading. A second reading is provided for debate on the principle of the bill. During this session we have just been having a series of questions and answers and that does not properly belong to a second reading.

MR. MacDONALD: If I might have just two or three minutes I will state the principles which I rose to discuss, namely the regulatory powers of the Ontario fuel board. The point I want to make is that the regulatory powers of the fuel board are to be exercised whether we ever get gas from western Canada or not. For the moment Union Gas is getting its gas from Pan Handle in the United States and when it becomes available to them from trans-Canada, they will switch.

The hon. Prime Minister wants to smooth this whole issue over but I know for a fact that not too many months ago a group of industrialists from the city of Sarnia came down to the Ontario fuel board and made representation that the prices which they were being charged were too high in the light of the 7 per cent. revenue ceiling.

All I am suggesting, before I leave this matter is that the fuel board up to now has not been exercising the powers which it has. Whether it has not had sufficient power to exercise this jurisdiction, I am not certain, because a year ago there was an amendment to The Fuel Board Act

which permitted them to extend their staff in terms of accountants and the right to requisition books and find out what the score is in regard to the finances of these distribution companies.

My final point: the last time I raised this matter in the House with regard to the limit of the federal aspect of the jurisdiction—and I hope I can have the hon. Provincial Treasurer's attention on this because this is rather interesting, in fact it almost comes in the category of the intriguing — I asked the hon. Provincial Treasurer if the Ontario fuel board has jurisdiction over the price charged by trans-Canada when it sells directly to an industrial consumer like International Nickel, rather than through some distribution agency in the province of Ontario.

The hon. Provincial Treasurer said he was not certain that they had the power, for it might be a constitutional issue. Now then, we had the chairman of the Ontario fuel board before the standing committee on government commissions and I put the same question to him. With a look of puzzlement on his face he said, "Sure we have that jurisdiction."

He was absolutely amazed at the proposition that anybody should question the fact that the Ontario fuel board did not have unquestioned jurisdiction over an ultimate consumer whether he is industrial or not, whether he gets his supply from a public distribution system or some public utility, or whether he gets it through trans-Canada.

I suggest, Mr. Speaker, and I leave the matter here, that it is about time the hon. Minister gets together with the chairman of the Ontario fuel board, because when he, with a look of amazement on his face, says: "Sure we have that jurisdiction," within one week after the time that the hon. Minister has told us that he is not certain we have the jurisdiction, in fact, he thinks it is a constitutional issue—

HON. MR. PORTER: I think it probably is.

MR. MacDONALD: I think they should get together, because certainly in the mind of the chairman, Mr. Crozier, there was no doubt that he had that jurisdiction.

MR. C. E. JANES (Lambton East): Mr. Speaker, may I say a word to clarify the situation?

MR. MacDONALD: Certainly, if the hon. member for Lambton East can do so, good.

MR. JANES: The fuel board have no control over gas sold to Union Gas or to International Nickel, but if they sell it to any consumer, then they have control over it.

MR. MacDONALD: But International Nickel is a consumer.

MR. JANES: No, they are not in the same position at all.

MR. MacDONALD: They are an ultimate consumer in Ontario within the definition of the Act.

MR. JANES: That is not the way they operate. But if I may say a further word before sitting down, nobody knows yet what the selling price of gas will be until the whole system is tied together. Then when this pipe line from the Don gas field, the storage area, comes through, the price of gas will be controlled by the amount of gas coming through the trans-Canada pipe line. Then the over-plus gas will go into the storage area and the pipe line will be finished; and then, and not until then, will they be able to set the price of gas.

The hon. member will understand, when the trans-Canada pipe line is flowing to capacity, the cost per cubic foot will be less. This is only possible when the overload in the summer can go into storage. I mean, the amount not needed at that time by the consumer.

MR. MacDONALD: Just one point, Mr. Speaker.

HON. MR. PORTER: I thought the hon. member for York South had finished.

MR. MacDONALD: The Act states that the Ontario fuel board has control over the price to the ultimate consumer.

MR. JANES: That is right.

MR. MacDONALD: And if International Nickel buys gas, whether they buy it through an intermediary or direct from trans-Canada, they are the ultimate consumer, and Mr. Crozier says he has control of it, the hon. Minister either says no or says, "I am not certain." Now who is correct?

HON. MR. FROST: I do not think we need waste the time of the House on whether International Nickel is the ultimate consumer or not. I find that usually they are able to take care of themselves and I do not think we need bother about that. We are interested in the little man.

MR. SPEAKER: May I suggest that we confine our remarks to the principle of the bill from now on and leave questions and answers until the House is in committee?

Motion agreed to; second reading of the bill.

NOTICE OF MOTION

Mr. D. C. MacDonald moves:

That in the opinion of this Legislature, consideration should be given to the establishment of a student aid fund from which interest-free loans can be advanced to residents of Ontario who wish to continue their education beyond secondary school.

He said: Mr. Speaker, earlier in this House in another connection, I quoted from the address of James Duncan, now chairman of Hydro, when speaking to that St. Andrews-by-the-Sea conference of industrialists last summer, to the effect that today in Russia—if refer-

ence to Russia does not provoke the ire of some hon. members opposite—19.6 per 100,000 inhabitants are proceeding to some form or another of higher learning, while in Canada the comparable figure is 4.9.

I want to suggest, Mr. Speaker, that the reason in many instances for this is the financial inability of many Canadians, or young Ontario citizens who wish to go ahead to one or another form of higher learning. As a matter of fact, two or three years ago the principal of McGill University, Doctor James, made a study of this situation in many countries, including Canada, and as a result of his study he made this observation, that he knew of no country in the western world in which a young man or woman coming from a family of modest means had less opportunity to proceed to higher education than in Canada. Therefore, I think, Mr. Speaker, it well behooves us to examine all the various means by which we can remove what might be described as the financial hurdle or the dollar sign that is hung on higher education.

One way in which this can be done is to make available to young persons who want to proceed to any form of higher education money on loan, with a clear understanding that they are going to repay it once they conclude higher education and get out as earning members of society. It is interesting to note that there have been a number of volunteer or local efforts to cope with or to meet this particular need. I do not know the details—I see the hon. member for Fort William (Mr. Wardrope) is not in his seat tonight—but I understand that there is a certain individual at the head of the lakes who has for quite some years personally made loans to students of northwestern Ontario who wish to proceed to university education.

I was interested in noting in the *Financial Post* on March 16th the story of a development in Orangeville, which I believe is in the riding of Mr. Speaker, of a group of individuals who are now attempting to incorporate it on a sort

of formalized basis, the provision of funds to young people in that area who want to proceed to university. All these local efforts I think are highly commendable and nothing that I want to say at this moment should exclude any local group, or any individual, by any means at all, from making funds available to young people who want to go ahead to university, teachers' college, become nurses in training, or what you will.

But what I want to suggest, Mr. Speaker, is that I think this whole great need, since we have only something less than 5 per 1,000 of our people proceeding to higher education as compared, for example, as Mr. Duncan pointed out, to almost 20 in Russia per 1,000, we need to supplement this. I suggest it should be supplemented at the provincial level. As a matter of fact, last year I think the hon. member for Brant (Mr. Nixon) at some point when we were discussing this, interjected that this sort of revolving fund which would make money available to young people wanting to proceed to university might be a very good project to be considered; and I in turn interjected a point to him that this kind of thing had been in operation for a number of years in the province of Saskatchewan.

What I want to do, without arousing the laughter or the derision of people either on the opposite side of the House or in the Liberal party, is to simply draw to your attention, sir, what has been done in Saskatchewan.

I think this is the kind of plan that can be duplicated very readily in the province of Ontario, thus making it possible for some thousands, in fact tens of thousands over a number of years, of students to get to university, students who normally might be precluded from that opportunity altogether.

About 6 or 7 years ago—as a matter of fact, I think it was about 1949 or 1950—in the province of Saskatchewan a student aid fund, so-called, was established by which the provincial government made available the sum of \$1 million. I have recently written to the hon. Minister of Education there, under

whose jurisdiction this fund comes, and I want to quote some of the relevant factors concerning it. As the hon. Minister of Education in Saskatchewan points out the student aid fund was originally endowed with an amount of \$1 million from which loans were made, and so far they have been able to make them almost exclusively in terms of the interest on this \$1 million.

There is provision in the Act which establishes this fund, making it possible for them to loan from the capital, in addition to the interest, to the extent of \$100,000 each year.

The hon. Minister points out there are 4 committees which have been established to administer the fund. One of these committees has regard to those who wish to proceed to university; the second committee has to do with those who are interested in proceeding to nurse's training; and the third committee has to do with those who are interested in proceeding to teacher training. The latter two groups, the hon. Prime Minister will recall, are the groups that we are rather seriously in need of increased personnel in the province of Ontario.

Then there is a committee which is made up of Saskatchewan's hon. Provincial Treasurer and related groups to maintain supervision over the actual accountancy, or the actual financial supervision of the fund.

The hon. Minister of Education in Saskatchewan indicates that the best proof of the effectiveness of this whole plan is the fact that some 4,000 students benefitted in a period of 6 years in the province of Saskatchewan, which would be the equivalent of over 20,000 students in the province of Ontario. They availed themselves of this to the extent of over \$1 million; in other words, the whole fund has revolved at least once.

Not only has this been the case but, in addition, there has been practically no difficulty in reclaiming the money which has been loaned. In fact, he points out that only in very few cases, and I am quoting—"only in very few cases

have we had any difficulty, and these have been without exception those people whose income was such that they could well afford to make the repayment"—in other words, those people who were intentionally being delinquent on their repayments.

He finally points out that no interest is charged on any of these loans, except as a matter of penalty when a person, or when the student, upon graduation has become an earning member of society, and neglects to make the repayments. In those circumstances interest becomes applicable, but under normal circumstances there is no interest charged.

I want to suggest, Mr. Speaker—and I know that the rules of the House and party discipline, and all the other factors which come into play when the opposition raises a matter like this, may preclude any possibility of the government accepting this proposal this evening—I want to suggest seriously to the hon. Prime Minister that no matter what the origin of this motion tonight, if the hon. Prime Minister is serious—and I do not for one minute believe that he is not serious—that if we want to get more of our young people to acquire the necessary training for the modern age that we are living in, this is one way in which we can take the dollar sign off a higher education and make it possible for some thousands, and, over the years, tens of thousands, of young people to get a higher education in university and teacher training and in nurse's training.

What the sum should be for the province of Ontario, and where the money should come from, does not particularly interest me. It might be by a bond issue that makes, shall we say \$5 million available, since we are a province of 5 times the population and 5 times the budget of the province of Saskatchewan. We might make the \$5 million available instead of putting away \$40 million or \$50 million each year into the highway reserve fund; some \$5 million might be rescued from there and put into a fund of this kind.

It think it is of immense concern that the money should be available, because,

in fact, the money need never be spent. It becomes a revolving fund to which thousands and, ultimately, tens of thousands, of young Ontario men and women will be able to turn to get the necessary money to receive a higher education. Without it we can assume that these thousands, and, ultimately, tens of thousands, will be denied this higher education which it is desperately necessary.

Therefore, Mr. Speaker, it is my fond hope—a hope which, perhaps, is just a little naive, that we might be able to persuade the House tonight to pass upon an issue which, I think, is beyond politics and meets an urgent need at the moment.

MR. R. MACAULAY (Riverdale): Mr. Speaker, just to establish in part, how naive the hon. member for York South is, I would like to speak to this motion and to present an amendment to it.

Firstly, I would like to make some reference to the background of this problem, but I think the hon. member made some points in relation to the Saskatchewan interest-free loan that it makes available to students.

I would like to ask the hon. member what is the date of the letter from the hon. Minister which he quoted?

MR. MacDONALD: January 2, 1957.

MR. MACAULAY: I am quoting from a letter dated December 3, 1956, from the same hon. Minister, just to establish that my interest in this matter is at least the equal of that of the hon. member, if not antedating it.

The hon. member pointed out several things which, I think, are of interest to this House, but he did not disclose that the loans which are made available in Saskatchewan range between \$200 and \$300; he did not disclose that, of the \$1 million which has been paid out—it actually is \$1,000,005—over \$240,000 of that has been contributed by Ottawa.

Thirdly, the hon. member made his usual remarks with reference to the highway reserve account.

One point I would like to make at this time, although it is not directly involved in this matter, is that it is about time that my hon. friend was made to understand that if \$60 million or any other millions of dollars were not put into the highway reserve account out of revenue—incidentally it is all spent on highways—that that money, if it did not come out of revenue, would have to be borrowed. So I do not know why the hon. member belabours that aspect of the highway reserve account.

However, in speaking to the motion which has been presented I would do so very briefly. Education in Canada has gone through a serious metamorphosis ever since the end of the war. I do not belittle in any way the figures to which the hon. member has made reference, which I recognize from the meeting at St. Andrews-by-the-Sea.

They are very serious, in fact. They were pointed up at the St. Andrews-by-the-Sea conference which was attended by all of the presidents of the universities in Canada and by the chief executives of every major company in Canada: they said there was in Canada a very serious shortage of scientists, engineers and technicians, and that in addition to that one of the greatest shortages was that of cold hard cash.

In relation to numbers they drew the attention of this country, I believe rather emphatically, to the shortage by pointing out that over the next 25 years we are going to need about 145,000 engineers and we are producing only 25 per cent. of that number; and in the field of technicians we need in the neighbourhood of 500,000 and we are producing about 10 per cent. of that number. They pointed up the shortage in relation to dollars, that the operating costs of a university in Canada has been about \$80 million a year, and they pointed out that in the next 10 to 15 years it is going to rise to \$600 million a year.

Within the next 20 years, we are going to have to find in addition about \$1.7 billion for construction costs. We have a very serious problem from coast to coast in Canada in relation to higher education, for universities are the end product only, and can only train those people who get to them. I think, with respect, Mr. Speaker, that there are 6 steps which can be taken in this country to deal with the problem of higher education, one of which has been referred to in this resolution.

I think, with respect, there has to be a public awakening to the problem that this country faces from coast to coast in the field of education and, secondly, I think we must make a more superior use of the equipment which we possess—100 per cent. use. I am sure that industry would never permit the use of its equipment for as few hours or as few months a year as we make use of our laboratory and other equipment.

There is a third solution, I think, and that is the provinces and the Dominion must make greater contributions towards higher education, but there, again, one must remember, we are determined pretty well by the first solution to which I made reference, namely, a public awakening and a demand for the thing upon which money must be spent.

The fourth solution appears to me, and these do not come as news to the hon. member for York South, because we debated in a friendly and interesting way this very subject, the crisis in higher education at Osgoode Hall with the Liberal party last year, and these were the solutions I offered at that time, and I think I offer them again with some increased confidence. The fourth is, industry is contributing about one-tenth of one per cent. of its annual income towards education.

I think industry must be made to realize that it has a greater obligation to education. It is the beneficiary of approximately 77 per cent. of our engineers and over 50 per cent. of our scientists, and its contribution must be increased from one-tenth of one per cent. But, in

addition, industry must be made to realize that it has an additional contribution in the direction which education takes.

I think there is a fifth solution and that is to attract more persons of quality, more persons into the teaching profession.

Sixth—I think more bursaries and aid must be made available to qualified persons who are interested in proceeding to higher levels of education. I feel that upon the education of the people of this country, the fate of this country depends.

The hon. member for York South will remember that he and I debated this problem once before, and he said at that time that he or I would be the first to put this order on the order paper. I think he will remember that, and I think it is a fair statement. The fact, is, he had it on the order paper first, therefore, I do not think he will take away from my sincere interest in this problem by the fact that I am moving an amendment to it.

I am moving an amendment to the resolution of the hon. member for York South because I feel that the resolution does not go far enough and it does not deal with a sufficient particularity to the means or the functions and the ways that this can be dealt with, nor the persons who can be covered.

For that reason, Mr. Speaker, I move, seconded by Mr. Auld, that the motion now before the House be amended by striking out all the words after the words "given to" and substituting the following therefor:

the extension of the powers of the bursary committee of The Department of Education which has since 1943 paid out in bursaries and scholarships a total sum of \$3,504,839.75, of which \$2,579,909 has been contributed by the provincial treasury which this year will contribute \$425,000 and \$924,930.50 has been contributed by the Dominion treasury to authorize the bursary committee to receive contributions from individuals, industry, the

Provincial Treasury, the Dominion Treasury, or any other donor, and to use the funds so received to provide interest-free loans to qualified students desiring to attend universities, teachers' colleges, agricultural colleges, schools of nursing, technical institutions and other institutions of higher learning.

MR. H. C. NIXON (Brant): Mr. Speaker, I am very sorry indeed that the hon. Minister of Education (Mr. Dunlop) is not with us tonight. It is my understanding that for several years, he was associated with the University of Toronto in managing certain private funds that were available for students on the basis of loans; and it is to the motion that is before the House rather than the amendment, and the amendment it does seem to me, while it is a recital of what is being done now in the way of bursaries, is not a true amendment to the motion which asks for the provision of loans.

I have never been too enthusiastic about the provision of large sums of money at public expense as outright gifts to students in their university education or scholarships. It has been my personal experience and perhaps I might be pardoned for some reference to this: There is an old saying, Mr. Speaker, that anyone who has worked his way through college for one child should know something about higher education. Certainly I have always felt that no money I ever invested was ever invested to better purpose than securing university education for my children.

Had I not been able to find that money, I do not think they could have done better than to have borrowed that money and even paid interest on it to have secured that university education. It was a good many years ago, in my personal experience at the college at Guelph, which is, of course, affiliated with the Toronto University, and our graduation was from the University of Toronto, and \$200 or \$300 in those days was not the insignificant sum the hon. member for Riverdale now refers to as

having been loaned to the students in Saskatchewan.

As a matter of fact, the entire cost of 4 years at Guelph in 1909 was in the neighbourhood of \$1,000, but with many farmers' sons in those days, that represented a very considerable sum of money, especially when there were 6 or 8 children to be educated. I found it very convenient indeed to borrow money from a fund that was available at that time known as the Massey fund, and that has been circulating through the University of Toronto and the Ontario Agricultural College for 50 years or more. To the best of my knowledge, and I made some inquiries about it a year ago, that fund is still available and undiminished, which would just give hon. members some idea of what can be accomplished by a circulating fund loan which is not given outright to the students. I was able to pay the money back when I was getting only one-third of the revenue from the old family farm.

Today we see our graduates receiving what appears to be very handsome salaries in the course of 5 or 6 or 7 years after graduation, not only from the universities, but from teachers' colleges and the college of education.

I am very well assured and satisfied that were such moneys available to them, they would most certainly be repaid and that a very small sum of money compared to the sums we talk about in this Legislature of \$820 million in one budget, would be of a tremendous help and encouragement to our young people, who have the capacity to go on for higher education, to receive that education, and I would say in the main, that money would be paid back within 8 or 10 years of the graduation of the students in almost every instance.

It is so seldom I find myself in agreement with the hon. member for York South (Mr. MacDonald) that I would point out to the government there is really nothing very radical or very drastic in this resolution, that consideration should be given to the establishment of student aid funds. I think that The Department of Education, under the

very capable direction of the hon. Minister who has had so many years' experience with this very type of thing, might consider this in the interval between this session and the next session, and bring back a very illuminating report to the House as to the possibilities under this very resolution.

I like the resolution itself much better than the amendment that is now before the House, which simply deals with the question of bursaries, which we already have before us. There is nothing to prevent manufacturers or anybody else one wishes to name, from contributing to those bursaries and perpetuating the very system we are now working under. I am satisfied the students themselves will appreciate the money infinitely more and would be more interested in making use of it, if that money were borrowed with the intention of paying it back, than having a free hand-out from a bursary or a scholarship, and making the taxpayers as a whole put them through university, when probably inside of 10 years, many of them will be engineers.

The hon. Minister of Highways (Mr. Allan) this afternoon said he could not find the engineers even to staff his own department and he had to go over to England and raid the sources there of those who had the benefit of this training. I think they would be infinitely better citizens of this country if they financed themselves in this way, and I am sure it would be found over a period of years that the losses to that fund would be entirely negligible.

MR. J. AULD (Leeds): Mr. Speaker, in speaking to the motion, first I would like to ask the hon. member for York South a question providing I can have a "yes" or "no" answer. He mentioned a few moments ago the programme in Saskatchewan of assisting tens of thousands of students. He was perhaps slightly inaccurate. Since 1949 there have been 3,501 students assisted. The lowest number per year was in 1953 with 401, and the largest number was in 1956 with 637.

MR. MacDONALD: Is that a question?

MR. AULD: I would just ask the hon. member if he did say tens of thousands?

MR. MacDONALD: Mr. Speaker, if I may just comment in answering that, as of January 2nd of this year, the total number of students who had been assisted in the province of Saskatchewan under this fund was 4,147.

MR. AULD: There must have been a great deal of assistance from December to January.

MR. MacDONALD: No. The total for the year 1949-1950 was 617, and in each subsequent year, without my relating the year, it was 435, 429, 413, 411, 598, 637, and finally 606 for the year 1956-57.

My use of the term "tens of thousands" was when I applied this proposal to the province of Ontario where our population is 5 times greater, and therefore, over a similar period, we would have had approximately 20 odd thousand with the same frequency of making loans available.

MR. AULD: We have had roughly that figure in the bursaries. However, I do not want to get into a wrangle with the hon. member about the number of people who were assisted. I was simply taking exception to what I felt was a somewhat free or expansive speech about what had happened in Saskatchewan.

MR. MacDONALD: If the hon. member looks at the exact figure, he will find I gave that figure earlier.

MR. AULD: I might say I was interested in the remarks of the hon. member for Brant who was speaking, I think, primarily on the effect of student aid and bursaries on the individuals and not on the effect throughout the whole country about which the hon. member for Riverdale was speaking. I do not think I could add very much to what he said as to the need in all the

different groups, the people that we need in the country.

I would say the programme of the province for many years has been in effect to aid the students in going to these various types of schools through the substantial grants that have been made which, of course, have the effect of lowering the tuition fees and, of course, the programme of bursaries which has been expanded every year without exception. The programme this year, as was mentioned in our amendment, of \$425,000, is certainly a substantial one, and I somehow suspect that the hon. member for Brant in his remarks was perhaps trying to hide his possible feeling of the niggardly attitude which has been taken by Ottawa.

In 1942, when the Act was passed under which the federal government does give aid, they set it out as 50 per cent. in matching contribution, but since this province reached the figure of \$200,000, they put a ceiling on it and have never gone above it.

Certainly, I think they could give greater consideration to additions not only here, but in every province in the country. As a matter of fact, our programme in Ontario is larger than that of the federal government for the whole of the Dominion. Their budget is \$382,000 and our figure is \$425,000—just for our own province, and the people we aid by this type of programme are a benefit to the whole country.

I might say, Mr. Speaker, the revolving fund which is suggested by the amendment is not a gift and it would be repaid by the student when his education has been completed, and he is gainfully employed. I think it would complete the basic steps so that any donor can participate in the sharing, by those who can benefit from it, of means whereby students can have every opportunity to obtain higher education and, consequently, to be of greater benefit both to themselves and to the country.

Through the provincial government, there are grants to buildings, grants to education costs, and, as I have men-

tioned, a very substantial bursary programme, and this present suggestion as set out in the amendment would, as I say, be the final step, so that all those who could benefit would obtain assistance.

The present programme of the province as probably some of the hon. members are aware, has only been available to those whose grades are above 66 per cent., and who can show financial need, but educationists agree there are many students in a scholastic grading between 60 and 66, who could do very well in a university or technical school or the other schools which were mentioned, and it is to those people that a programme such as this should be directed.

MR. NIXON: If I may ask the hon. member a question before he leaves this particular section—

MR. AULD: I would prefer to finish and then I will be glad to listen to a question.

The educationists in the province, on the basis of questionnaires, estimate there are somewhere between 3,000 and perhaps 4,000 students in grade XIII who could go to university and benefit, and who would like to go, but who are unable to do so because of financial limitations. Approximately 1,000 of those are being assisted under the present programme, but there is still a large number left to whom such a fund would be a benefit.

The hon. member for Brant has mentioned one of what I believe are the number of programmes which are operated by the universities themselves to a limited extent, or by industries, or groups, in various places in Ontario, to assist students to continue their education and, as the amendment points out, the present committee or some further committee, would be set up to co-ordinate those efforts and, perhaps, combine them for the people concerned, if it is agreeable.

I do not think there can be any disagreement amongst the hon. members

of those who are interested in this problem, that every opportunity should be given to make the best use of the funds available. I would point out the present committee of the department is constituted to accept funds from others to use as part of a revolving fund.

I might say—as a matter of interest—in 1954, 1955, in the group A bursaries of the province—those are the ones payable to students after grade XII to continue grade XIII, and to go on to first year technical school or university or so on; of 1,350 applications, 632 bursaries were awarded of varying sums; in the B group from second year university or comparable period in another type of school, there were 1,538 applications and 1,166 awards.

There is one further point I would like to make, Mr. Speaker, in support of this amendment. With respect to the figures given of the amount of money which is required for continuing education, they run anywhere up to a maximum of \$800 to \$1,000 a year, particularly for the first two years, of a university or similar course. Any programme to be successful would have to take that into consideration.

That is why I think the hon. member for Riverdale suggested that the Saskatchewan programme, which may well be what is required in that province, would not be sufficient or applicable here in Toronto. That is my opinion also.

MR. NIXON: Would the hon. member permit a question now? He said that the students who receive these bursaries would repay them to the fund after they had graduated and were earning. Does he suggest they sign a note promising to pay this money back?

MR. AULD: Obviously, Mr. Speaker, unless they were 21, they would be unable to sign a note which would be collectable. My understanding of how a programme such as this has been operated either by government or private enterprises, as is done in some places, and even state governments—New York state for instance—is, if

the student is over 21, he signs a note, and if not 21 his parents or guardian signs a note. There is some question as to how these loans might be repayable, but the experience, generally speaking, of which I have knowledge, is that most of the loans are repaid.

MR. G. E. JACKSON (London South): Mr. Speaker, in rising to support the amendment to the motion, I would like to say a few words and bring certain points to the attention of the House.

In London, we have probably a unique situation in that we have recognized this problem and the London board of education has done something about it. I am sure the hon. member for York South and the hon. member for Brant will be interested in the approach which has been taken by the city and by the board of education, and any hon. members in the House who are interested in this problem—and I am sure most of them are—will probably get from my remarks, that I am about to make an idea or a suggestion as to how the youths of this province can receive aid in order to further their education.

The city of London has been very concerned about the small number of students graduating and continuing on to university and the college of education. Not long ago Miss Harrison, who then was the chairman of the board of education, came up with the idea they should try to raise bursaries in order to encourage more grade XIII students to go on.

They found that business and industry were interested in this, and as a result a committee was set up, this committee consisting of selected citizens. No one was elected to any civic body, but they were respected citizens in the community and they gathered together and formed this select committee. Their selections as to the students who were to go through and receive these bursaries were not necessarily based on high academic standards, but they tried to choose people who were academically

bright and who also possessed the quality, and I must say they looked for this, which they felt was required to make good teachers, because they recognized, first of all, we must have teachers in the sciences and mathematics in order to create more students in mathematics and science.

Therefore, they were starting off at that level. This committee went to 4 firms, 4 industries, in the city of London. This was started last year and they were successful in getting these 4 firms—the London Life, Minnesota Mining and Manufacturing, Huron and Erie Mortgage Corporation, and John Labatt Limited, to put up the first bursaries.

These firms undertook to put up \$500 a year for 4 years at the university and a further \$1,000 if the student agreed to go to the Ontario College of Education after receiving his Bachelor of Arts degree.

There was one other stipulation, and that was that they required these students to take either a mathematics or science course, and the student undertook to teach for at least 3 years after graduation in the sciences or mathematics.

They got the plan going, as I say, last year. It was done in a great rush and they are looking forward for this to increase and they, in all earnestness, are hoping that the province will encourage this plan.

In supporting, as I prefaced my remarks, the amendment to the motion by the hon. member for Riverdale, here I think would be an excellent opportunity and an excellent manner in which the bursary and scholarship committee could show their good faith by encouraging groups such as this to be set up in other parts of the province.

The idea I hope will catch on in other centres and I am sure if any interested group or any interested hon. member wants to approach his board of education, it would be a start at this centre, and he would obtain the support of industry.

MR. J. WINTERMEYER: Mr. Speaker, speaking to this motion, may I point out at the outset that it is not my intention to labour the need for assistance of this sort. We have talked about this many times and I am sure the House is convinced of the basic need.

Speaking, however, to the technical problem that is before us, I am going to suggest to the House that the amendment is, I believe, out of order to the extent that it is a complete negation of the original resolution, which calls for a study, whereas the amendment suggests a particular, specific means of creating and administering a fund. To that extent, and I say we must be fair about this, I think technically speaking the amendment is out of order.

I have every respect for the hon. member for Riverdale and I think there is a lot to be said for his particular observations, but being technical about it, I suggest, Mr. Speaker, that his amendment is out of order.

With respect to the substance of the amendment may I say it is my understanding that there is a maximum on bursaries allowable, or at least paid by The Department of Education, of \$400. I think that is a curtailment that we might want to re-examine if we are setting up a new fund.

Secondly, I think we should study this problem before we create, execute and administer any new plan. My own personal opinion, for what it is worth, is that we should create an independent foundation, publicize it and attract industrial money to it, because that is where the money available for aid to education is going to come from.

I may be out of order in the remarks I am about to make here, but with the great respect which I have for the hon. member for Leeds as an individual and for his good judgment, I was amazed to think that he thought the people would be ready to believe that this is the fault of Ottawa. That is the height of prepossession, if that is the word.

HON. MR. FROST: Mr. Speaker, may I say a word on this.

MR. WINTERMEYER: No, Mr. Speaker, I am going to finish this. The British North America Act says in unqualified language that education is the responsibility of the province, and the sooner we begin to conduct the affairs of this House in constitutional fashion, obeying the rules of the game, the better, we will be.

HON. MR. FROST: What are they going to do with that \$50 million?

MR. WHICHER: Sit down, sit down.

MR. MacDONALD: After the election.

MR. WINTERMEYER: The second point, Mr. Speaker, is that the hon. member for Leeds knows full well the federal government has allotted \$100 million to the cultural council.

HON. MR. PORTER: I thought the hon. member for Waterloo North said they had no constitutional power to do it, so they are doing it with our money.

MR. WHICHER: Let the hon. Provincial Treasurer sit down too.

MR. WINTERMEYER: Let us debate this, Mr. Speaker. Did not the Rt. hon. Prime Minister of Canada at the recent meeting of the presidents of universities recognize that very fact and say: "I have no constitutional power, but I will take this money to a council to be administered constitutionally"? He recognized that very fact and that very objection that hon. members opposite are making.

MR. MACAULAY: He was frightened of Quebec.

MR. MacDONALD: The hon. member for Riverdale should be frightened of Quebec too. Wait until the election is over.

MR. WINTERMEYER: If the hon. member for Riverdale is going to feel

better about it, if he thinks the Rt. hon. Prime Minister of Canada was frightened of Quebec, let him think so—and for all I know, that may be the case—but the fact of the matter is that it was set up in a constitutional fashion, and Ottawa has recognized its responsibility from a purely national point of view. There is no legal obligation on Ottawa to undertake that problem.

However, in that respect I may be speaking out of order to some extent.

I want to get down to the essence of what I said at the outset, that with great respect I suggest that the amendment is out of order in that it is a complete negation of the purpose of the original order, which is to undertake a study, and does not pretend to advise or suggest any particular method of creating and administering a particular fund.

MR. MACAULAY: On a point of order, Mr. Speaker: the hon member for Waterloo North is quite wrong, because he has not read the whole motion. The motion is:

That in the opinion of this Legislature consideration should be given to the extension of—

and if that is not a study, I do not know what is.

HON. MR. FROST: Mr. Speaker, I also would like to correct the hon. member for Waterloo North who, I know, likes to be accurate. This bursary idea was started by the federal government itself. Constitutional or not, they started it back in 1942 with the proposal that they would pay 50 per cent. of what the provinces paid. When we got up to \$100,000, that ended the 50 per cent. with them, and that is where it has stayed.

MR. LAVERGNE: Sure, big boys.

HON. MR. FROST: Yes, they were "big boys," just like the physical fitness plan, they got us into that, made a big rumpus about it, and then pulled out of it.

MR. WINTERMEYER: Mr. Speaker, is that correct?

HON. MR. FROST: Yes.

MR. WINTERMEYER: Is the hon. Prime Minister sure?

HON. MR. PORTER: Absolutely.

HON. MR. FROST: Yes.

MR. WINTERMEYER: They actually—

HON. MR. FROST: Yes, they proposed that.

MR. WINTERMEYER: Yes, but did they refuse to meet this government?

MR. SPEAKER: Order.

HON. MR. FROST: May I say something else to the hon. member for Waterloo North so that he may know the difficulties we know in carrying on in this province? Last year there was a debate in this province on something similar to this, and the hon. Minister of Education promised to go to Ottawa forthwith, which he did. I asked the hon. Minister of Education about this. He is in Ottawa tonight as a matter of fact on a matter of business, opening a new college there, I believe.

HON. MR. DUNBAR: A technical school.

HON. MR. FROST: A technical school. We had to keep the hon. Provincial Secretary here to maintain order.

MR. MacDONALD: Is this a technological institute?

HON. MR. FROST: I think so.

HON. MR. FROST: Mr. Speaker, the hon. Minister of Education went to Ottawa, and he pointed out that it was the feeling of our people here that \$100,000 was quite inadequate, and he asked that it be increased. He was received by the government officials very

courteously, and so on, and he reported back to this House, you recall, last session. But, Mr. Speaker, he got nothing. He asked for bread and he got a stone. That was the situation. I say that to keep the record straight.

MR. WHICHER: To get back to the original resolution, I do not think it matters one little bit—so far as the resolution is concerned—how much this government has given in bursaries and how much Ottawa has given in the past. The point is that the hon. member for York South has brought forward a resolution recommending that the government give consideration to the establishment of a fund whereby students can borrow money for a fixed period of time and pay it back, so that they can get a higher education. I, for one, think it is a very fine resolution, and I think the government would be very ill-advised to turn it down.

MR. NIXON: Is that bursary money from Ottawa repaid by the students?

HON. MR. PORTER: No. I was going to say, Mr. Speaker, when the hon. member for Leeds was asked the question—I got the impression that it may have been in his mind that some of these bursaries were repaid.

MR. NIXON: Not in my mind, but his mind.

HON. MEMBERS: No, no.

MR. NIXON: He said definitely they were repaid.

HON. MEMBERS: No, no.

MR. NIXON: He certainly did.

MR. AULD: I think I suggested that the bursaries presently being given were not repaid, but the additional interest-free loan account, or the revolving account, would be repayable; that it would be a combination of the two in the future.

HON. MR. PORTER: Mr. Speaker, I would like to speak for just a few moments on this subject, and I hope that I can keep it on a high plane.

The tendency is always present to become involved in discussions about what goes on in Saskatchewan and in Ottawa, but I think in this particular instance we have a motion and an amendment on a matter of great importance, and I think, probably, it is the feeling of this House that there is real merit in the substance of what is before us now and what we are now discussing.

Having been asked a few months ago to co-ordinate the financial programmes of the universities in the province, I have had the opportunity of examining their very sound working programmes designed for the purpose of taking care of the vast increase in university graduate population that is expected during the next 5 years. They have laid, on very sure foundations, sound principles towards that end; and all the great universities of this province, which now are recognized by this government for grants—8 in number—have done everything possible to meet the challenge that is before them to take care of the inevitable growth of university population.

If I may say so without being immodest, the record of this government has been very praiseworthy indeed, in regard to the bursaries we have provided and contributed to along with the federal government—and I am not going to discuss the matter of the relative nature of the participation. The fact is that substantial money has been paid out of public funds, and most of it came out of the pockets of the taxpayers of Ontario anyhow; and it has assisted an increasing number of students from year to year.

If hon. members will look over the figures since 1943, they will notice that from year to year there has been an increase in the money that has been applied to this objective.

I think there is great merit in both the motion and the amendment—because the motion sets forth the principle in a broad way and the amendment attempts to deal with a similar subject in, I think, a more special application and suggests that the loan plan which is proposed should be handled, perhaps, by that committee which has had considerable experience in distributing bursary money and has had a number of years' experience in deciding upon the merits of the various cases and applications which come before it.

I think that is a constructive suggestion, and I think that also the amendment specifies in some detail the sort of institutions that would be approved for loans of that kind. It covers quite a wide field. It is not merely for the highest type of education; it is to a large extent for a more practical type of education; and I think that is a good thing.

I think the suggestion that interest-free loans should be made—I agree with the hon. member for Brant that that is a very sound way of assisting our people in financing their education. I think if they can arrange to receive that loan—and most university graduates, or graduates from technical schools of the kind I suggest should be able to—surely within a reasonable time they would not only be able to repay, but, I think, they would be anxious to repay; and I think there is a very great deal to be said for including in our assistance programme the sort of loan scheme as contained in—I would say—both the motion and the amendment; and I am authorized to say that the government will accept the amendment and —

MR. T. D. THOMAS: As well as the resolution?

HON. MR. PORTER: The amendment is acceptable to the government. The amendment specifies in some detail.

MR. MacDONALD: Are we supposed to be surprised that the govern-

ment is accepting the amendment? Was this a spontaneous development?

HON. MR. PORTER: Yes. We have been convinced by the argument not only of the mover and the seconder of this amendment, but the arguments of some of the other hon. members of this House, including those of the official opposition; and I may even confess that, perhaps, we were impressed to a substantial extent by the mover of the motion.

MR. WHICHER: In accepting the amendment that the government is willing to authorize the bursary committee to receive contributions, does that mean they would not have been accepted in the past?

HON. MR. PORTER: The motion is of the general nature that the government should consider this plan. That is what it is; and that is what we are prepared to take into consideration. It may be that some of the money that we now pay out as bursaries might be better paid out as loans, and we may add to that additional amounts for loans; and, as the hon. member for London South has said, at the university down there, there is a fund providing for loans for people who wish to go to the university; and there is the similar one in Toronto, as the hon. member for Brant has mentioned. That was administered at one time by the hon. Minister of Education.

It may be that it might be a reasonable thing to make contributions to some of these university funds. There are many ways that this might be handled; and the suggestion that the government might consider putting it into the hands of the bursary committee might be a good way to get it started.

So I can say that the government is prepared to accept this amendment and will implement it in due course.

MR. MacDONALD: May I be allowed to make a brief comment with regard to the amendment? I would like

to say that, irrespective of what happens here, the great value is that we have had a discussion on it. We have found out, for example, such details as a loan situation in London of which I was not aware of, and of which, I imagine, other hon. members were unaware. But I want to discuss one technical aspect of this amendment. As the hon. member for Waterloo North has suggested, this amendment has no relevance at all to the original motion.

Let me draw attention to the fact that the original motion read:

That, in the opinion of this House, consideration should be given to the establishment of a student-aid fund.

The amendment cuts it off and says, as an alternative, that consideration should be given to an extension of the powers of the bursary committee.

The amendment from that point is made up in general by two aspects; the first one is a history of what the bursary committee has done. Now, Mr. Speaker, in all deference, the proposition that a motion of this House can legitimately be amended by dragging in a history of the last 15 years, is something which is basically irrelevant. What I was talking about was the establishment of a fund to make interest-free loans available. Now they drag in the proposition of a bursary committee which gives bursaries which are not interest-free, which are not paid back—in other words, are completely different in principle altogether. That is the first aspect of the amendment.

The second aspect of the amendment in effect goes on to say that:

Authorizes the bursary committee to receive contributions from individuals, industry, the Provincial Treasury, the Dominion Treasury or any other donor, and to use the funds so received to provide interest-free loans

that should be given to the same variety of people including practically everyone whom the hon. Provincial Treasurer pleaded for—namely, teachers, nurses and so on, in addition to those wishing higher education. But, more important, what they have done has elaborated what was stated in general terms in my original motion.

I want to suggest to you, Mr. Speaker, that this is no genuine amendment at all, it is just an elaboration in part, and in its other part, namely the first part, it is irrelevant because it deals with bursaries which do not have to be repaid, and what I have suggested is loans which will be repaid as a supplement to higher education.

I would ask, Mr. Speaker, for your ruling, as to whether or not this is a relevant amendment.

MR. SPEAKER: The first thing I would like to say is, because there is a historical section, this does not affect the validity of a motion or amendment. The second thing is, I believe this is a reasonable amendment on the same subject matter as the original motion. There is nothing negative about it, it does not negate the original motion and I would rule that the amendment is in order.

MR. MacDONALD: Mr. Speaker, I have the deepest respect for you, but on previous occasions we have had such things as elaborations on what was the original motion and when we elaborated on it, it was thrown out as being of no relevance at all, as no genuine amendment. I just want to suggest that this is not a genuine amendment, and, therefore, I will have to challenge your ruling.

MR. SPEAKER: I do not remember any amendment being ruled out on that basis. This is almost identical to the original motion, except that it also tells us how to do it.

MR. MacDONALD: Mr. Speaker, you miss my point. I make a special

to be given to a variety of people. In my explanatory remarks, I explained

motion with no suggestion as to how it should be done. Let me read it.

To establish a student-aid fund from which interest-free loans can be advanced to students of Ontario to continue their education from secondary schools.

HON. MR. FROST: I point out that in part the resolution says, "go to the establishment of a student-aid fund." This resolution or the amendment is a reasoned amendment dealing with the subject matter of the hon. member's motion and it says, instead of that, that the powers of a bursary committee be extended to authorize the bursary committee to do certain things and to give students interest-free loans. I would say it is a reasoned amendment on the subject matter, clearly within the subject matter of the resolution of the hon. member for York South. I think the resolution is clearly in order.

MR. MacDONALD: That is an administrative wrinkle as to how the government wants to handle the thing.

MR. SPEAKER: Order. I have ruled that the amendment is in order.

MR. MacDONALD: I challenge your ruling, Mr. Speaker.

MR. OLIVER: I think we can get 5 on that.

MR. SPEAKER: Call in the members.

The vote is on the ruling of Mr. Speaker; Mr. Speaker has ruled that the amendment is in order.

The ruling of Mr. Speaker was sustained:

YEAS

Allan
(Haldimand-
Norfolk)
Allen
(Middlesex
South)

NAYS

Gordon
Innes
MacDonald
Manley
Nixon
Oliver

YEAS—Continued

Auld
Boyer
Cass
Cathcart
Cecile
Collings
Cowling
Daley
Doucett
Dunbar
Dymond
Edwards
Elliott
Fishleigh
Frost
(Bracondale)
Frost
(Victoria)
Fullerton
Graham
Griesinger
Grossman
Hall
Herbert
Jackson
Janes
Johnston
(Parry Sound)
Johnston
(Simcoe Centre)
Kelly
Kerr
Lavergne
Macaulay
Mackenzie
Maloney
Mapledoram
Morrow
Murdoch
Noden
Parrv
Phillips
Porter
Pryde
Rankin
Robarts
Roberts
Root
Rowntree
Scott
Spooner
Sutton
Villeneuve

Spence
Thomas
(Oshawa)
Whicher
Wintermeyer
—10

YEAS—*Continued*

Warrender
Whitney
Yaremko

—54

MR. T. D. THOMAS: Mr. Speaker, now that your ruling has been sustained, I have no intention of prolonging the debate, but I would just like to say this: the hon. member for Riverdale has stressed the need for something of this description and I think most of the hon. members of the Legislature realize the great urgency of setting up some fund. The hon. member for Riverdale mentioned that he and the hon. member for York South had a debate in the University of Toronto last year, and I think he mentioned it was stated at that time either one would get the resolution on the order paper first. Therefore, Mr. Speaker, I wonder if the amendment is founded on disappointment? I wonder if the hon. member for Riverdale was disappointed that he did not get it on the order paper first.

MR. MACAULAY: I did not even try.

HON. MR. FROST: The motion did not go far enough.

MR. T. D. THOMAS: Yes, it did. I think, Mr. Speaker, that the amendment is one of delay, and I hope the hon. members of this assembly will vote it down.

MR. SPEAKER: The vote is on the amendment.

The amendment carried.

YEAS

Allan
(Haldimand-
Norfolk)
Allen
(Middlesex
South)
Auld

NAYS

Gordon
Innes
MacDonald
Manley
Nixon
Oliver
Spence

YEAS—*Continued* NAYS—*Continued*

Boyer
Cass
Cathcart
Cecile
Collings
Cowling
Daley
Doucett
Dunbar
Dymond
Edwards
Elliott
Fishleigh
Frost

(Bracondale)

Frost
(Victoria)
Fullerton
Graham
Griesinger
Grossman
Hall
Herbert
Jackson
Janes
Johnston
(Parry Sound)
Johnston
(Simcoe Centre)

Kelly
Kerr
Lavergne
Macaulay
Mackenzie
Maloney
Mapledoram
Morrow
Murdoch
Noden
Parry
Phillips
Porter
Pryde
Rankin
Robarts
Roberts
Root
Rowntree
Scott
Spoonor
Sutton
Villeneuve
Warrender

Thomas
(Oshawa)
Whicher
Wintermeyer
—10

YEAS—*Continued*

Whitney
Yaremko

—54

MR. WINTERMEYER: Mr. Speaker, may we have a recording of the vote on the amendment?

HON. MEMBERS: No, no.

MR. WINTERMEYER: I am sorry, I mean on the motion.

HON. MR. PORTER: The hon. member voted against it.

MR. WINTERMEYER: The government is quite prepared to take technical advantage of this situation?

MR. MACAULAY: It is not technical.

MR. WINTERMEYER: May we vote on the main motion?

MR. SPEAKER: The vote is on the amendment. The amendment carried.

THE GAS PIPE LINES ACT

Hon. D. Porter moves second reading of Bill No. 158, "An Act to amend The Gas Pipe Lines Act, 1951."

He said: Mr. Speaker, this bill is merely for the purpose of transferring from the fuel board to the Ontario municipal board the power of hearing appeals from compensation decisions made under expropriation proceedings.

Motion agreed to; second reading of the bill.

THE LIQUOR LICENCE ACT

Hon. G. H. Dunbar moves second reading of Bill No. 167, "An Act to amend The Liquor Licence Act."

MR. NIXON: Mr. Speaker, we had better have some explanation of the bill.

HON. MR. DUNBAR: I gave a pretty good explanation on first reading. However, there is not much to it. The first part of it makes it quite clear that a man must be accompanied by a lady when he enters a women's beverage room.

MR. WHICHER: Could he go in by himself before?

HON. MR. DUNBAR: If he went in by himself, he might be arrested so the hon. member for Bruce should not take any chances.

MR. WHICHER: Yes, but before this Act?

HON. MR. DUNBAR: It was not clear.

MR. WHICHER: It was not?

HON. MR. DUNBAR: No.

MR. WHICHER: And now the hon. Minister has made it clear?

HON. MR. DUNBAR: Yes, this is just for purposes of clarification. Last year we moved an amendment and mentioned in that amendment certain places of over 50,000 population had grown up and we wanted to include all the municipalities. It does not matter what size, a vote has to be taken.

Motion agreed to; second reading of the bill.

THE LIQUOR CONTROL ACT

Hon. Mr. Dunbar moves second reading of Bill No. 168, "An Act to amend The Liquor Control Act."

Motion agreed to; second reading of the bill.

THE ONTARIO WATER RESOURCES COMMISSION ACT

Hon. Mr. Porter moves second reading of Bill No. 164, intituled The Ontario Water Resources Commission Act, 1957.

He said: Mr. Speaker, the purpose of this bill is to continue the Ontario water resources commission, with expanded and clarified powers, especially with respect to the financial aspects of the commission in relation to water works and sewage works projects undertaken by the commission for the municipalities.

In the second place it transfers to the commission powers now exercised by The Department of Health under certain sections of The Public Health Act that have to do with sewage and sewage works.

Thirdly, the transfer to the commission of powers now exercised by The Department of Mines under The Well Drillers Act.

MR. WHICHER: Mr. Speaker, may I ask the hon. Provincial Treasurer, in connection with the transfer of sewage and sewage works, has a date been set when there are to be sewage systems installed in the larger cities of this province?

HON. MR. PORTER: Have we set a date?

MR. WHICHER: Yes.

HON. MR. PORTER: What does the hon. member mean?

MR. OLIVER: A deadline.

MR. WHICHER: Yes, I mean a deadline.

HON. MR. FROST: What for?

MR. OLIVER: For the installation of the sewage system.

HON. MR. PORTER: Where?

MR. OLIVER: Under the water resources commission, have we not the power?

MR. WHICHER: They have the power, I believe, under the Act, but have they set a date?

HON. MR. FROST: I do not know what the hon. member is talking about. Will he kindly make his question clear?

MR. OLIVER: I do not think the hon. Prime Minister is as stupid as he is making out right now. The Ontario water resources commission, as he quite well knows, has visited these various areas, and in some instances, I understand, has given the municipality until a certain time to instal these works, as they have the authority to do under The Ontario Water Resources Commission Act. Sarnia was one example.

HON. MR. FROST: Mr. Speaker, in response to the hon. Leader of the Opposition, there have been two cases of what are known as mandatory orders.

MR. WHICHER: That is what I was asking about.

HON. MR. FROST: One is for the city of Sarnia and one for the town of Trenton. In neither of those cases insofar as I know has any date or deadline been set, but there is a mandatory order that it has to be completed. I am speaking offhand, but during this week I had a meeting, to which I referred yesterday, with representatives of the city of Sarnia and other municipalities of Ontario in relation to this subject. At that time I had a discussion with His Worship Mayor Nelson and I may say, Mr. Speaker, that I share with him and those municipal representatives their dismay over the fact that the situation is really being forced upon us by directions from Ottawa, coming from a high diplomatic level.

Hon. members of this House have the correspondence; if hon. members opposite have not received it I shall be

very glad to give them half a dozen sets apiece because I have distributed a good many sets around the province. I will make sure I send some to Wiarton and Owen Sound so that hon. members opposite may look at the correspondence, read it, and then understand the situation.

Of course the problem with most of these municipalities is caused by the concentration of industry, and hon. members opposite know the difficulty there.

In connection with the town of Trenton it also is faced with problems of growth, associated in part with the very large airfield and airport which is there for federal purposes and which of course has overburdened their sewers and caused them very great difficulty. I point out that there are no corporation taxes to be derived from the big airport which is there and there is no assistance to that municipality towards the expenses involved.

The water resources commission, in view of the financial plight the town is in, is attempting to find ways and means that the municipality may proceed in part with their plan, so that on one hand they will be making actual progress and on the other hand they will be satisfying the demands of the international authorities who have been building to a high diplomatic level the problems of pollution.

That is an example of what is being done, and I think things are being worked out. The other day I had the cities of Sault Ste. Marie, Sarnia, and a number of other communities which I mentioned yesterday or the day before, and of course, it is quite impossible to meet the problems of pollution and water difficulties in one year or 5 years. As a matter of fact, it is going to cost about \$2.5 billion to correct this, which is a great difficulty.

Mr. Speaker, this last year very substantial progress was made. The municipalities of this province expended in sewage and water works problems, no less than \$56 million. That was an increase over the year before of nearly

\$22 million. I think that with care, and care has to be taken, before very long we will approach the expenditure of around \$100 million a year, which is going to be required to take care of this problem for, say, a period of 20 years. Now, it is going to be a very great and difficult problem.

MR. T. D. THOMAS (Oshawa): Would the hon. Prime Minister permit a question?

HON. MR. FROST: Yes.

MR. T. D. THOMAS: I wonder if the hon. Prime Minister would tell us how much of that \$56 million was spent by the water resources commission?

HON. MR. FROST: The approach of the water resources commission is a three-pronged approach. They have the technical assistants. They have the ways and means of giving municipalities assistance and advice, and the work can be done in three ways: firstly, by the municipalities themselves, and that was accepted by the city of Sarnia; secondly, through the municipal improvement corporation, of which an additional \$100 million has been approved of in principle this afternoon; and thirdly, by the water resources commission going in and doing it themselves at the request, and entirely at the request, of the municipality on a payment basis.

There have been as yet no municipalities which have accepted the third alternative, but several municipalities are interested. One of them is the city of Ottawa, which, of course, is a very immense project. That is the best information I can give the hon. member.

MR. T. D. THOMAS: Mr. Speaker, my question is this: how much money has been spent by the municipal governments, independently, or without supervision of the water resources commission—since the hon. Prime Minister says \$56 million was spent by the municipal governments last year?

HON. MR. FROST: I could not give the hon. member that information. I do not know. I think all of them have consulted the commission in one way or another.

Motion agreed to; second reading of the bill.

REGISTRATION AND REGULATION OF CHILDREN'S BOARDING HOMES

Hon. L. P. Cecile moves second reading of Bill No. 171, "An Act to provide for the Registration and Regulation of Children's Boarding Homes."

MR. OLIVER: The hon. Minister may have stated this when he was presenting his estimates, but I do not at the moment recall, will the inspection and supervision be carried on by the department, I presume with the staff which does that work for other institutions at the present time, such as houses of refuge and that sort of institution?

HON. MR. CECILE: There will be an officer designated for that purpose in the department. Possibly, to start off with, we will have some person such as the hon. Leader of the Opposition mentioned, but we intend to have a person designated especially for that. It is not exactly the same as under the homes for the aged and that type of thing.

MR. OLIVER: Will the hon. Minister tell us what requirements will have to be made before he will designate a place as a home for these children? I mean, what requirements would have to be made and could those requirements be made anywhere in the province, or would they be centred in the cities, or what is the situation in that regard?

HON. MR. CECILE: Mr. Speaker, I am sure the hon. Leader of the Opposition realizes that these are commercial enterprises and that they could be situated anywhere in the province, provided they operate according to what is set up in the Act. Of course, they will be licenced.

MR. NIXON: I suppose the hon. Minister saw a statement in the paper from the proprietress of one of these institutions, that it would cost her \$100,000 to meet the requirements under this bill.

HON. MR. CECILE: I would say there were possibly three zeros too many.

Motion agreed to; second reading of the bill.

THE PUBLIC HEALTH ACT

Hon. M. Phillips moves second reading of Bill No. 172, "An Act to amend The Public Health Act."

MR. NIXON: Mr. Speaker, would the hon. Minister tell us what this bill is about?

HON. MR. PHILLIPS: Mr. Speaker, I spoke at length on first reading of this bill, which has to do with validating the 8 municipalities which have the fluoridation in operation as of January 1st, this year. That is what the whole bill covers.

HON. MR. FROST: Would the hon. Leader of the Opposition like to vote against it?

MR. OLIVER: If I take a notion to, yes. I have not decided yet. I was going to suggest to the hon. Minister, this bill is the one which sort of validates the operation in 8 municipalities. I cannot see, and I say this quite frankly to the hon. members of the House, why we do not give the optional powers to every municipality in this province, and if they want to carry this system into effect, then they can go ahead and do it.

The hon. Prime Minister is constantly talking about local and municipal autonomy. This would be one place where we could extend it, and I can see no reason why we should not. Surely, the local council and the people in the local

area know what they want, and as far as I am concerned, if they want it, they can have it. I do not see why it should be kept from them.

HON. MR. FROST: I say to the hon. Leader of the Opposition that the hon. Minister's statement which was given yesterday was fully explanatory of the matter. I do not know whether the hon. Leader of the Opposition was in the House when the hon. Minister introduced the bill. However, he gave a very complete statement of the problem involved. The fact is, the powers of The Public Health Act and some of the other Acts in relation to this matter, the metropolitan bill, is before the Supreme Court of Canada at the present time.

I might say that last year the Supreme Court of Ontario ruled that there was not power within these various Acts of the city of metropolitan Toronto to fluoridate their water. The matter is now under appeal and before the Supreme Court of Canada. If the decision of the Supreme Court of Ontario is upheld then we are faced with a situation which, of course, would have to be considered on a province-wide basis. In the meantime this, as the hon. Minister said, in his words, maintains the *status quo* in the event of the highest court of the land making a decision which rules that our municipalities have not got the power under the various Acts to do the things which they thought they had the power to do.

MR. OLIVER: The province could give them the power.

HON. MR. FROST: We will consider that when we come to it.

MR. OLIVER: I say they could.

MR. G. T. GORDON (Brantford): I represent an area, the city of Brantford, that was the first to fluoridate its water supply in the Commonwealth. It was assisted financially by the government, and having heard two impassioned

speeches opposing fluoridation I thought for a moment I would speak on what happened in Brantford.

As hon. members know, Brantford started the 10-year experiment in the fluoridation of its water supply —

HON. MR. FROST: Might I ask the hon. member what this has got to do with this particular bill? The hon. member may speak on fluoridation on the budget. This is a matter of permitting his city and some others to do certain things, and the matter of fluoridation is really not in order. I do not think we need to discuss that.

MR. NIXON: I do not know under what bill it would be in order if it is not in order under this bill. Where in the world else could it ever be discussed?

MR. MacDONALD: I am not going to speak on this issue here, but the hon. Prime Minister—I wish to make this point—literally amazes me. We have had a great number of occasions on which the hon. Prime Minister has got up and gone off on a tangent in attacking Ottawa, with matters of no relation to the principles of a bill.

HON. MR. FROST: To rescue the hon. member for York South from the state of amazement into which he falls with the greatest of ease I withdraw my objection, and I have no objection to discussing this matter if the hon. member cares to discuss it. I do not care. Let him go ahead.

MR. GORDON: I just want to go back to the commencement of fluoridation of the water in the city of Brantford. I remember it well because I was the chairman of the public utilities commission when we gave the "go" sign for the fluoridation of our water supply.

We were supposed to start on the 1st of June, and that was the announcement to the public—the city of Brantford—that their water supply would be

fluoridated the 1st of June. The 1st of June came and it was not very long afterwards that we had complaints, one from a very prominent citizen who stated that he and his wife had had dysentery ever since the fluoride had been added to the water; also that peculiar rings were appearing in their bathroom; and they were suffering very badly from various complaints.

The peculiar thing about this happening is that we were not able to get the equipment to add the fluoride to the water supply, and not until September were we able to get the experiment started; and the peculiar thing is that since this was announced we have not had any more complaints.

Other complaints and objections were something similar to those of the hon. member for St. Andrew, and they have died out. They found that they were beating a dead horse, those people, and it died out. There was a society, or a committee, called the safe water committee, and they were very, very loud and with the same argument, as I say, of the hon. member for St. Andrew; so the medical officer for health invited them down to his office one Saturday morning—the principals of that committee—and after meeting with him for some two or three hours they were convinced that what the city of Brantford was doing was correct.

But they were not to be beaten, and before they left they pulled out a document, asking the medical officer if he would sign it. This document stated that the medical officer for the city of Brantford would be responsible for anything that happened to the citizens of Brantford through drinking the city's water, which contained fluoride. He immediately signed it and they left the office convinced that what the city of Brantford was doing was the thing to do, and we have never had any objection since.

As the government assisted the city financially we were very pleased to have that assistance because it was rather expensive and we were the guinea pig

for the rest of the country, and we are very proud that other municipalities and cities have come to the city of Brantford, large cities like Chicago, to find out how the experiment has gone, and it is spreading like wildfire all over the country.

MR. GROSSMAN: Mr. Speaker—

MR. SPEAKER: This is not a debate on fluoridation.

MR. GROSSMAN: If the hon. member for Brantford was permitted to say a few words on it, I would like to make comment on one or two remarks he has made.

MR. SPEAKER: Just comments.

MR. GROSSMAN: The hon. member, Mr. Speaker, has, I think, followed along the line of most of those who are pro-fluoridation, who are always giving the impression that only the well-informed take that position, and he also made the statement that the opposition to it has disappeared.

I am going to quote from a late edition of the *Detroit Free Press*, of February 21, 1957. The article is headed: "Medical Group Hits Fluoridation."

New York: A statement by 300 medical men asserted fluoridation of drinking water "imposes an extraordinary risk on certain individuals." The statement also hitting at what it called the use of the public water supply as "a vehicle for drugs" was directed to Mayor Robert Wagner's attention by a 13-member delegation of the Medical-Dental Committee on "The Evaluation of Fluoridation."

Motion agreed to; second reading of the bill.

THE PHARMACY ACT

Hon. Mr. Phillips moves second reading of Bill No. 173, "An Act to amend The Pharmacy Act, 1953."

MR. NIXON: Surely it is not necessary for hon. members to get up and ask the hon. Ministers to speak on the principles of their bills on second reading. There are 175 bills in here, and it cannot be expected that we should read them and check them back against the original statute. I think we are entitled to an explanation from the hon. Ministers on the second reading of these important bills.

HON. MR. FROST: Mr. Speaker, may I say to the hon. member for Brant that there was a very full explanation of this, I think, on first reading, and I do not think the hon. member was in the House at the time; but there was a full explanation given. We would certainly be glad to repeat the explanation. It involves the subject matter of the bill, which could be read, if there is any misunderstanding.

MR. NIXON: I doubt very much if the hon. Prime Minister knows what it is about.

HON. MR. FROST: Yes, I do. The purpose of this bill is that it extends the meaning and the method of determining whether drugs within the meaning of the Act could—at the present time I think there are 8 pharmacopoeia, and the way it acts is that it requires that in order to obtain a prosecution, or a conviction in court, it would mean that the prosecution would have to show that the drug was listed in each of the 8 pharmacopoeia, and that adds too great a burden on the prosecution—an unfair burden on the prosecution—with the result that this is being clarified in order that such necessity be abolished, and by regulation the department can specify certain drugs.

I think it is highly desirable and I think hon. members will agree that the little corner store that deals in certain patent medicines and other things should be permitted to do so for the convenience of the public, and I think that this makes it a much better Act, administratively, and more enforceable.

MR. NIXON: May I say, Mr. Speaker, after this very clear and lucid explanation of the bill I am prepared to vote for it; I was not before.

Motion agreed to; second reading of the bill.

THE MUNICIPALITY OF METROPOLITAN TORONTO ACT

Hon. W. K. Warrender moves second reading of Bill No. 174, "An Act to amend The Municipality of Metropolitan Toronto Act, 1953."

He said: Mr. Speaker, as I said in the first reading, very briefly these amendments are to assist the municipality of metropolitan Toronto to carry on their activities. They are procedural and for clarification and all of these amendments have come to our department for consideration and we feel they are needed by the municipality and are brought forward for the consideration of hon. members.

MR. OLIVER: Is this bill before a committee?

HON. MR. WARRENDER: No, it is not.

Motion agreed to; second reading of the bill.

RAISING OF MONEY ON THE CREDIT OF THE CONSOLI- DATED REVENUE FUND

Hon. D. Porter moves second reading of Bill No. 175, "An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund."

He said: This bill is very closely identified with the bill with respect to the Ontario municipal improvement corporation. This is to provide for loans not to exceed in the aggregate \$200 million.

MR. MacDONALD: Does the hon. Minister think that will be enough?

HON. MR. PORTER: I am hoping it will.

MR. NIXON: How much money is there already provided under similar bills in previous years that has not been used?

HON. MR. PORTER: I understand there is approximately \$200 million, but we do not go under the old bill.

MR. NIXON: Yes, the government does.

HON. MR. PORTER: Not recently.

MR. OLIVER: But those funds are available.

HON. MR. PORTER: They are available.

Motion agreed to; second reading of the bill.

CERTIFICATION OF PLANS OF SUBDIVISION

Hon. A. K. Roberts moves second reading of Bill No. 42, "An Act to provide for the Certification of Plans of Subdivision in order to Establish Title in Lands."

He said: I have given some explanation of this bill on first reading; and also the two complementary bills which will follow and I will speak to them together. The bill is aimed at making a procedure that will work out satisfactorily and I would like to say right at the beginning that it will go to the committee on legal bills on Monday and that if it is to be brought in it will have to be proclaimed.

There is no thought of bringing it in in a hurry and it may very well be advisable to defer proclaiming it until we sit again. In the meantime, all those

interested in this type of work will have ample opportunity to study it and determine its values.

One of the precautions in the bill is that it can be brought in area by area which means it might be used in one part of the province and not in another. The purpose of the bill is to provide a procedure, simple and inexpensive, for the obtaining of what I may term in easy lay language a root of title at the point when a plan of subdivision is filed.

That would mean, from here out, as the areas are proclaimed or as the bill is proclaimed, when a person or corporation is ready to file subdivision of land, this procedure would be followed and if certificate of title is obtained, that would serve as a new root of title for the future subject to whatever the certificate indicates were in the nature of encumbrances and obligations of the land.

Once it gets into operation I am sure it will serve a useful purpose in all those parts of the province where the registry system is used. In those parts where land title is used they already have the advantage.

In moving the second reading I wish to assure this House this bill will go to committee on Monday and there will be no thought of proclaiming it in the immediate future.

MR. WINTERMEYER: Before an area is subdivided this bill would provide the procedure whereby a subdivider, or some other interested person, could apply to the commissioner or other designated person to be sure the root of the entire subdivision is in order.

HON. MR. ROBERTS: Or a part, as the case may be.

MR. WINTERMEYER: Or a part. Suppose the person who makes the investigation overlooks some problem with respect to the title; advises that the root is in order; and subsequent buyers rely on this certification, who would bear the responsibility?

HON. MR. ROBERTS: It provides for an assurance fund to meet that and the responsibility is in the assurance fund and the purchaser relying on the certification would not suffer any loss.

MR. WINTERMEYER: I understand this government has approved of the title insurance in Ontario. In other words, we have a private agency that is in a position to undertake this work. Now, on the question of advisability of going into competition with such organization—

HON. MR. ROBERTS: I would refer the hon. member to section 14 on the assurance part of it. We feel this will be a great advance towards simplification and clearing registry offices of a great deal of crowding and searching of titles and in getting away from what in many respects is an antiquated system.

HON. MR. FROST: It goes to the legal bills committee anyway.

MR. H. FISHLEIGH (Woodbine): If a person has a good lawyer he does not need the bill. On one occasion we bought a farm and one morning received a telephone call from the person on the farm saying there was a bulldozer in his orchard. We explained that we owned the farm, but, evidently, the previous lawyers had not really searched the title and we had a bulldozer on another man's farm and we had to pay him for the damage which we did.

Motion agreed to; second reading of the bill.

THE REGISTRY ACT

Hon. Mr. Roberts moves second reading of Bill No. 43, "An Act to amend The Registry Act."

He said: This bill is complementary and simply provides that there could be no registration of the plan until a certificate is obtained where it deals with an area which has been proclaimed as coming under the Act. Of course, this will not take effect until the main bill does.

Motion agreed to; second reading of the bill.

THE INVESTIGATION OF TITLES ACT

Hon. Mr. Roberts moves second reading of Bill No. 44, "An Act to amend The Investigation of Titles Act."

He said: This bill is also complementary and the purpose is as to timing to bring out under investigation The Titles Act and the procedure, as there laid out, will not apply to this particular type of transaction and the procedure there will be under the main Act.

Motion agreed to; second reading of the bill.

UNIFORM AND SIMPLIFIED PROCEDURE FOR THE ENFORCEMENT OF STATUTORY DUTIES AND THE REVIEW OF THE EXERCISE OF STATUTORY POWERS BY THE COURTS

Mr. J. J. Wintermeyer moves second reading of Bill No. 39, "An Act to establish a Uniform and Simplified Procedure for the Enforcement of Statutory Duties and the Review of the Exercise of Statutory Powers by the Courts."

He said: This particular bill is in identical form to the bill I introduced last year. In order that we might consider it at this time I am going to abbreviate what I have said about the bill. I think the best way to indicate the significance of this bill is to tell hon. members what the bill does not say.

Before I go that far, may I say this: this particular bill has to do with the reviewing of decisions by boards, statutory boards set up by the Legislature, such as the liquor control board, the transport board, and similar boards. It does not have anything to do with the actual appeal from the decision of those boards. In other words, just because a person disagrees with the decision of the

board, he has no right under this bill, at least, to appeal.

Maybe at some future time, the government or some member may consider the advisability of bringing such a bill in, but this bill does not do that. All this bill does is to provide a simplified procedure to review the determination of whether or not the board has exceeded its statutory powers, has refused to exercise its statutory powers; or refuses to exercise its statutory powers.

In other words, there is existent facility in the law to do what this bill permits, but the procedure at the present time is very complicated, and undetermined.

Very frequently we find that a lawyer is required to determine which of several procedures he will use in order to decide in the presence of a judge whether or not a particular board has, for example, exceeded its authority. He might, for example, bring an action called *mandamus*, or another called *certiorari*, or some third form, and very frequently he gets before the court and the court advises him it is sorry, he has used the wrong form.

In substance, he has a complaint: in substance, the court would like to hear him, but because of the rules, it is unable to hear him because he has used the wrong vehicle.

Maybe to dramatize this particular situation, I think the famous Hanna case in British Columbia is demonstrative of this principle. I think there the first application was for *habeas corpus* or one of the several forms, and when that action was brought before the court, the court said, "I am sorry, but you have used the wrong vehicle; you should have used some other procedure." The result was they had to go back a second time to get relief.

Now all this Act does is to provide a very simplified method by which a determination can be made, whether or not a board has exceeded its authority, that is, exceeded the authority which this Legislature has given it, refuses to exercise the authority which this Legis-

lature says it should exercise, or something of that sort. I want to make it emphatically clear that this Act does not change any fundamental law, and also, it does not permit a man to appeal a decision of a board just because he does not like the decision.

HON. A. K. ROBERTS (Attorney-General): I would like to say this proposed legislation in somewhat similar form has been drafted and submitted by a committee of the Canadian bar association. Discussions have taken place and it is back there again for further discussion and study. I would like to say, now that the matter is before the House, a few things directly as I see this bill, and that is not in any way prejudicing what might come up in the form of some other bill.

First of all, let me draw the attention of hon. members of this House to this: This bill is intitled "An Act to Establish a Uniform and Simplified Procedure for the Enforcement of Statutory Duties, and the Review of Exercise of Statutory Powers by the Court." If I were to give this a short title, I would say it is a lazy lawyer's bill. The bill imposes on the judge the duties and the responsibilities that are normally that of the lawyer and for which he is normally paid, and it is a complete misconception, in my opinion, of the profession and the courts.

Section 1(a) defines authority. It means one or more persons authorized to execute a statutory authority. This could mean any hon. Minister of the Crown; this could mean any commission; it could even be argued that it could mean the Honourable the Lieutenant-Governor and it could mean all sorts of boards and commissions and administrative bodies, as well as semi-judicial, judicial and administrative bodies. It would invite, in my opinion, by virtue of the definition of party which says:

a party means a person who has the right to require the exercise of a statutory power, or the doing of any-

thing relating to the exercising of a statutory power, or a person whose rights may be affected, by the exercise or the doing of anything relating to the exercise of statutory power.

That could invite all sorts of nuisance actions and could invite actions which would have wholly political motives, to upset, to interfere with, and to harass any hon. Minister or any member of a board, or a commission of this sort.

That, to my mind, is away entirely from the conception of government as we have it in this province. There are a variety of and a number of administrative tribunals, with specialized jurisdiction, and most of them have existing provision as to appeals.

A speedier and less costly procedure by way of government in that form is certainly existing as compared with what we would get by court proceedings under the use or misuse of a bill of this sort, if it were placed on the statute books.

The Ministerial acts, of course, are both discretionary and executive, and the hon. Minister is subject to control of Parliament and to the influence of public opinion, and if the acts of any particular hon. Minister or Ministry are not regarded well, it does not take very long for the time to come around again when he has to face the people. The courts should not be substituted for the Ministerial decisions of executive nature.

I would refer to section 6, which provides for a procedure on *mandamus*, *certiorari* and prohibition. The existing law is that. It does not require an Act with that sort of section in it to determine what the law is. If the hon. member and his other supporters of this would look at rule No. 622, he will find that that is all there already. The courts are the ones to decide whether the proper procedure should be *mandamus* or prohibition or *certiorari*. Section 6 would apply to purely administrative tribunals, most of which already have appeal provision.

Section 7 is also existing law. I refer to rules Nos. 552 and 554. Section 8

is already the case for *mandamus* and for prohibition and for *certiorari*. As an administrative act, we have it now.

I would like to put on the record; I do not want to take up the time of the House in detail on this, but I want it on the record, because it may be of help in reference to some later date, and it may even help some lawyers to find out where they can go for appeals if they want to, what Acts they can go to.

With the permission of the House, Mr. Speaker, without reading this in detail, I would ask that it be incorporated in *Hansard*, if that is permissible. If it is not, I will have to give the details of it.

MR. OLIVER: What is it?

MR. SPEAKER: I am afraid that is not permissible.

HON. MR. ROBERTS: Very well, I want to outline this, then, as briefly as I can.

I. APPEALS FROM ADMINISTRATIVE BOARDS

A—THE ONTARIO MUNICIPAL BOARD

The Ontario Municipal Board Act

Section 98—Appeal from order of board to court of appeal upon any question of jurisdiction or law.

Statutes which confer powers upon the Ontario municipal board and where an appeal lies by virtue of this section or by express provision:

1. The Municipal Act.
2. The Public Health Act—ss.106-108, 1956, c.71.
3. The Public Schools Act—ss.20, 46.
4. The Public Utilities Act—s.56.
5. The Railways Act.
6. The Telephone Act.
7. The Public Works Act—s.31—express right of appeal from order of board

to CA where amount of claim exceeds \$500.

8. The Railway Act—s.262—express right of appeal to CA from decision of board re. requirement of additional cars.

9. The Conservation Authorities Act—s.16 as amended in 1954—review of authority's apportionment by municipal board and appeal to CA by virtue of The Ontario Municipal Board Act.

S.22 as amended in 1952—review of advisory board's compensation award on expropriation by municipal board and appeal from latter to CA on question of law alone.

S.25 as amended in 1952—review of advisory board's compensation award for injurious affection by municipal board and appeal from latter to CA on question of law alone.

10. The Municipal Franchises Act as amended by 1955, c.49-s.9—appeal from order of board to CA on question of law or fact with leave.

11. The Assessment Act as amended by 1956, c.3-s.80—appeal to CA from order of board.

12. The Highway Improvement Act as amended by 1953, c.45-ss.91, 92—appeal from order of board to CA.

13. The Mining Tax Act—s.11—appeal from order of board to CA.

14. The Power Commission Act—s.33—appeal to CA from order of board.

15. The Telephone Act, 1954, c.94—appeal from orders of board by virtue of The Ontario Municipal Board Act.

B—THE ONTARIO FUEL BOARD

The Ontario Fuel Board Act—1954, c.63

Section 24—appeal from order of board to CA on question of jurisdiction or law or from fixing of rates pursuant to section 16.

Statutes which confer powers upon the Ontario fuel board and where an appeal lies by virtue of this section or by express provision:

1. The Municipal Franchises Act as amended by 1955, c.49—appeal from order of board to CA on question of law or fact with leave.

2. The Public Utilities Act—s.67—appeal from order of board by virtue of The Ontario Fuel Board Act.

C—THE ONTARIO HIGHWAY TRANSPORT BOARD

The Ontario Highway Transport Board Act—1955, c.54

Section 18—Appeal from board to CA upon any question of jurisdiction or upon any question of law with leave.

D—OTHER BOARDS AND OFFICIALS EXERCISING STATUTORY POWERS

1. The Arbitration Act—s.16—appeal to superior court only if so agreed by the submission.

2. The Architects Act—s.20—appeal from suspension or cancellation of licence by architects registration board to CA.

3. The Collection Agencies Act—s.26—appeal from ruling of superintendent to single judge of CA.

4. The Corporations Act, 1953—s.12(3)—review by supreme court of Provincial Secretary's decision to change name or refuse to change name.

S.274(1)—review by supreme court of liquidator's, etc. conduct.

5. The Corporation Tax Act—ss.22-32—appeal from Treasurer's assessment of corporation tax to SCO.

6. The Dentistry Act—s.28—appeal from suspension or cancellation of licence by board of directors of RCDS to CA.

7. The Dower Act—s.31(1)—appeal to judge of supreme court from report of commissioners.

8. The Embalmers and Funeral Directors Act as amended in 1953—s.15(2)—appeal from revocation of licence by board of administration to judge of SCO.

9. The Insurance Act—ss.12, 243, 312, 313—appeals from decision of superintendent to CA.

10. The Investment Contracts Act—s.15—appeal from order of superintendent to CA.

11. The Land Surveyors Act—s.36—appeal from order of council of management of the association of Ontario land surveyors expelling or suspending membership of surveyor to a judge of the supreme court of Ontario and from latter to CA.

12. The Land Titles Act—s.89—appeal from decision of master of titles to judge of the supreme court of Ontario.

S.113—appeal from order of county court judge or master of titles to CA.

S.144—except as provided by s.115, appeal from any act, order or decision of master of titles, director of titles, or local master of titles to judge of supreme court of Ontario and from latter to CA.

13. Liquor Licence Act—RSC 121—s.20—board shall state a point of law to judge of supreme court of Ontario.

14. The Loan and Trust Corporations Act—s.122—appeal from decision of the registrar to judge CA.

15. The Medical Act—s.36—appeal from decision of council to CA.

16. The Mining Act as amended by 1956, c.47—ss.127, 144—appeal from recorder to commissioner and from latter to CA.

17. The Municipal Act—s.263—appeal from order of police commissioners to judge of SCO.

S.350—appeal on question of law to CA from decision of arbitrators.

S.358—appeal from arbitrator as provided by The Municipal Arbitrations Act.

18. The Municipal Arbitrations Act—s.7—appeal to CA from award of arbitrator.

19. The Municipal Drainage Act—s.68—appeal from order of referee to CA.

S.117—Appeal from decision or report of referee to CA.

20. The Registration of Nurses Act—1951, c.58—s.5—appeal from order of board of directors of the registered nurses' association of Ontario to judge of SCO.

21. The Optometry Act—s.7—appeal from order of board of directors in optometry to judge SCO.

22. The Pharmacy Act—review of decisions cancelling registration of chemist by council of Ontario college of pharmacy by judge SCO.

23. The Prepaid Hospital and Medical Services Act—s.11—appeal from superintendent to CA.

24. The Professional Engineers Act—s.26—appeal to judge SCO from refusal of council of association of professional engineers to register membership or issue a licence.

S.28—Appeal from order of council suspending or cancelling licence to CA.

25. The Public Accountancy Act—s.22—appeal to judge of supreme court from order of the public accountants council refusing to grant or renew a licence or revoking a licence.

26. The Public Health Act—s.31—appeal from order of local board of health or of MOH to county court judge and (*quære*) appeal to CA by virtue of The Judges' Orders Enforcement Act.

S.53—Appeal by MOH from decision of municipal corporation to county court judge and from county court judge to CA by virtue of The Judges' Orders Enforcement Act.

27. The Railway Act—s.89—appeal from award of arbitrators to CA on question of law or fact.

28. The Real Estate and Business Brokers Act—s.31—appeal to judge of CA from order or decision or ruling of superintendent of insurance.

29. The Registry Act—s.102—appeal from decision of inspector of legal offices in same manner as appeal from master, i.e., to judge of high court and with leave to CA.

30. The Schools Administration Act—1954, c.86-s.71—appeal from award of arbitrator to CA by virtue of The Municipal Arbitrations Act.

31. Securities Act—s.30—appeal to judge of SCO from decision of securities commission.

32. The Succession Duty Act—s.32—appeal from assessment of treasurer to a judge of SCO.

33. The Logging Tax Act—s.18—appeal from treasurer to SCO.

34. The Public Parks Act—s.16—appeal as provided by section 360 of The Municipal Act from decision of arbitrator.

35. The Telephone Act—s.111—appeal from orders of Ontario telephone authority on leave upon any question of jurisdiction or law.

II. APPEALS FROM ORDERS OF JUDGES

A—APPEALS FROM COUNTY COURT JUDGES BY VIRTUE EITHER OF THE COUNTY COURTS ACT, OR THE JUDGES' ORDERS ENFORCEMENT ACT WITH LEAVE, OR BY EXPRESS PROVISION

1. The Assessment Act—s.89—from equalization—to CA.

2. The Child Welfare Act — from adoption order—to CA.

3. The Assignments and Preferences Act—to CA.

4. The Bailiffs Act—from certification by county court judge—*quaere* to CA.

5. The Bulk Sales Act.

6. The Cemeteries Act—from certification by county court judge—*quaere* to CA.

7. The Change of Name Act—to CA.

8. The Corporations Act—s.377—appeal to CA from any order made by any court.

9. The Creditors Relief Act—*quaere* to CA where under \$100—s.38—specific right of appeal to CA where over \$100.

10. The Election Act, 1951—s.144—to CA.

11. The Fraudulent Debtors' Arrest Act—to CA.

12. The Gas and Oil Leases, Act—s.7—to CA.

13. The Highway Improvement Act—s.97—to CA; s.102—to CA.

14. The Jurors Act—s.46—*quaere* to CA.

15. The Lake and Rivers Improvement Act—s.98—to CA.

16. The Landlord and Tenant Act—s.22—to CA; s.71—to CA; s.79—to judge of CA.

17. The Liquor Control Act—s.95—to CA.

18. The Local Improvement Act—s.35—to CA; s.48—to CA; s.57—to CA.

19. The Marriage Act—ss.9, 11—to CA.

20. The Married Women's Property Act—s.12—to CA.

21. The Mechanics' Lien Act—s.40—to CA.

22. The Mental Hospitals Act—s.65—to CA.

23. The Mortgages Act—s.30—to CA.

24. The Municipal Act—s.82—to CA; s.142(1)—to CA; s.159—to CA; s.190—to judge of SCO; s.442—to CA; s.469—*quaere* to CA; s.477—to CA.

25. The Power Commission Act—s.33—to CA; s.42—to CA.

26. The Public Health Act—s.102—to CA.

27. The Public Schools Act—s.31—appeal to Judge SCO with leave; s.84—*quaere* appeal to CA.

28. The Public Works Act—s.31—to CA where amount of claim exceeds \$500.

29. The Registry Act—ss.67, 90, 92, 89—to CA.

30. The Schools Administration Act, 1954, c.86-ss.63, 70—to CA.

31. The Separate Schools Act—s.44—to CA.

32. The Training Schools Act—s.7—to CA.

33. The Water Powers Regulation Act—s.5—to CA.

34. The Railway Act—to CA.

B—APPEALS FROM OTHER "COURTS" OR "JUDGES"

1. The Child Welfare Act—Appeal lies from order of magistrate or family court judge for maintenance of a neglected child to CA.

2. The Dependents' Relief Act—s.12—appeal from order of surrogate court judge to CA.

3. The Deserted Wives' and Children's Maintenance Act—appeal from magistrate's order by virtue of s.8a (1953) and The Summary Convictions Act.

4. The Division Courts Act—appeal to CA where judgment exceeds \$100.

5. The Election Act—s.182—to CA from election court. The Controverted Elections Act—ss.59, 60—to CA from election court.

6. The Female Refuges Act—s.15—appeal from order of county court judge, juvenile court judge or magistrate to CA.

7. The Infants Act—s.21—to CA from surrogate court judge.

8. The Lakes and Rivers Improvement Act—s.4—appeal from arbitrator if parties so agree in submission.

9. The Master and Servant Act—s.10—for order of magistrate by virtue of The Summary Convictions Act to CA.

10. The Mechanics' Lien Act—s.40—from master to CA.

11. The Municipal Act—s.190—from master to judge SCO.

12. The Surrogate Courts Act—s.31—to CA where amount involved exceeds \$200.

13. The Summary Convictions Act—to CA with leave on question of law.

14. The Training Schools Act—s.7—from juvenile judge or magistrate to CA.

This is a bill, Mr. Speaker, which should be voted on without further ado, at this stage.

MR. WINTERMEYER: Mr. Speaker, may I speak again about this? I would be very proud to be included among the group of lawyers who are said to be lazy. One year ago this matter went before the legal bills committee and at that time the hon. Attorney-General appeared before that committee and made none of the observations that he makes now.

MR. MacDONALD: He is a lazy lawyer.

MR. WINTERMEYER: I suggested at that time he was not personally familiar with the objections which he is making right now, and I suggest further that among the men he is calling lazy are the very lawyers that he has to call in to advise him, some of the best lawyers in Ontario.

I supported this legislation in the forums of the civil rights committee and various bar associations, and if the hon. Attorney-General is going to use his great position to exercise political manoeuvres when he knows full well that technically the bill may have certain weaknesses, I agree with that, I can advise him of some myself; and I used the very form I did for the simple reason that when I introduced this bill last year the hon. Attorney-General had the audacity to tell me that I should know better than to introduce a private bill—implying that a private bill had no hope of success.

In the interval, I had the pleasure of receiving a letter from the hon. Prime Minister, who suggested that I should introduce this bill, and I introduced it in exactly the form I introduced it last year.

I am sorry, but I think the hon. Attorney-General has made a shameful performance tonight when he came before us and told us that it was a lazy lawyer's bill. It may have certain

weaknesses, mind you, but every lawyer who has practiced in this province knows that certain improvements can be made in regard to this particular procedure.

I do suggest to the hon. Attorney-General, if he will be quiet for a moment, that he has done the profession a disservice when he suggests that the legislation is totally unneeded. A different form? Yes, an improved form; but to suggest that nothing of this sort is necessary has done the profession a great disservice and I do not think he has helped himself personally one bit.

HON. MR. ROBERTS: That, of course, is a matter of opinion. I am not concerned about that. I am concerned about what is before the House.

I made it quite clear at the very beginning of my remarks what I thought with regard to what was contained in the bill itself.

I said that if the commission, the law society, or anybody else, comes up with something much better, I will be glad to look at it if I am asked to do so. But I want to make it quite clear that in my opinion this is a lazy lawyer's bill.

HON. L. M. FROST (Prime Minister): Mr. Speaker, may I say at this point that in that summation and that estimation of this particular bill, of course the hon. Attorney-General by no means implies that the sponsor of the bill is a lazy lawyer.

The sponsor of the bill, I think, is a good lawyer.

But may I say — and I want to clarify this — as a matter of fact I did not actually ask, but I made the suggestion to the hon. member for Waterloo North last year that it was within his perfect right, as it is that of any hon. member of the House, to introduce a public bill or an amendment to a public bill. That is the right of an hon. member of this House.

I think where the hon. Attorney-General was misunderstood in connection with the proceedings of last

year was this, that the fact that he introduces a public bill does not mean that the public bill is acceptable unless it is acceptable to the government, or certainly to the majority of hon. members of the House. I think the hon. member said this last year, and I do not think there is any change in the wording of his bill from last year to this.

What has happened is this. I had rather forgotten the circumstances of this case, but it comes back to me now when I hear the discussion. This matter was discussed in a committee of the Canadian bar association and there was a substantial opinion there that there might be a simplification of procedure.

However, as a matter of fact I find since then the Canadian bar association has never been able to reach unanimity on the point.

Similarly, the hon. member for Waterloo North has never reached a stage of satisfaction in his own mind relative to this bill. He would like to see the principle of some simplification embodied in the bill, but he is not satisfied that this bill would "do the trick." I think he will agree that is the feeling generally of the committee of the Ontario bar association, which has been studying it.

After I had some correspondence with the hon. member for Waterloo North last spring, I discussed this matter with the officials of The Department of the Attorney-General. I think at that time, I was acting as Attorney-General, and it is at this time, sometimes, that very great decisions are made.

Being but a country lawyer — I do not know whether a country lawyer is a lazy lawyer or not, but sometimes he is not a bad lawyer — I did discuss it with them.

First of all, I found that there was a very considerable difference of opinion among the officials as to the need for such a bill. Also, I found almost a unanimous opinion that, whatever was the need, there were deficiencies in this bill in that it does not meet the require-

ments. In that I think I am on common ground with the hon. member for Waterloo North himself.

I do not think, in view of what he himself says, that the bill should be accepted, and I think that having had his "day in court" we had better pass on to another order of business.

MR. WHICHER: Would the hon. Prime Minister advise him to present it next year?

HON. MR. FROST: Yes.

MR. OLIVER: So that it can be knocked down again.

MR. MacDONALD: Well, for a country lawyer, that certainly was not a bad effort. The hon. Prime Minister certainly repaired the situation there.

Motion negated; bill discharged.

HON. MR. FROST: Mr. Speaker, without imposing on the House too much, I think it would be well to dispose of private bills on the order paper, of which there are only 3.

Hon. Mr. Frost moves that Mr. Speaker do now leave the chair and that the House resolve itself into committee of the whole.

Motion agreed to.

House in committee of the whole, Mr. C. E. Janes in the chair.

HON. MR. FROST: Mr. Chairman, I beg to inform the House that the Honourable the Lieutenant-Governor, having been informed of the subject matter of the following resolutions, recommends them to the consideration of the House.

CLERK OF THE HOUSE: Resolution by hon. D. Porter: *Resolved that:*

the Honourable the Lieutenant-Governor in Council may authorize the Treasurer of Ontario to pay out

of the consolidated revenue fund moneys required to purchase any debentures, bills or notes of the corporation and to make advances to the corporation in such amounts, at such times and on such terms and conditions as the Honourable the Lieutenant-Governor in Council may deem expedient,

as provided by Bill No. 156, An Act to amend The Ontario Municipal Improvement Corporation Act.

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. Mr. Porter: *Resolved that:*

the Treasurer may pay out of the consolidated revenue fund accounts for legislative and departmental printing, paper and stationery and other supplies delivered to the Queen's printer, but the amount of such deliveries remaining on hand and in the course of distribution shall not exceed in any fiscal year the sum of \$650,000,

as provided by Bill No. 159, An Act to amend The Financial Administration Act, 1954.

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. L. M. Frost: *Resolved that:*

during the fiscal year ending March 31, 1958, the expenses of The Department of Transport shall be paid out of the consolidated revenue fund,

as provided by Bill No. 166, An Act to establish The Department of Transport.

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. L. P. Cecile: *Resolved that:*

the expenses of the administration of The Children's Boarding Homes Act, 1957, and the regulations payable until March 31, 1958, shall be paid out of the consolidated revenue fund,

as provided by Bill No. 171, An Act to provide for the Registration and Regulation of Children's Boarding Homes.

Resolution concurred in.

TOWNSHIP OF SCARBOROUGH

House in committee on Bill No. 25, An Act respecting the township of Scarborough.

MR. D. C. MacDONALD (York South): Mr. Chairman, if we have to deal with this late at night, then we will deal with it. This matter was sent back to the committee for a second time, and in contrast to the first meeting we at least heard some of the objections on the part of people in Scarborough township.

Those who have been following the newspapers will have noted that there have been continued meetings in the township, many of those described as irate taxpayers who not only object to this bill, but object to it because of the prospect that it is going to, as they said in one series, "open the flood gates", not only in relation to these particular claims but other claims which will result in not only \$400,000, but conceivably even more hundreds of thousands of dollars being saddled on an already over-burdened township.

Without going into any more detail and taking any more time than is necessary, I want to review two or three of the salient points, and then point out one or two new factors which I think are extremely serious. In fact, there is nothing I have raised in this House that I have raised with more seriousness.

In the first place, I want to suggest, Mr. Chairman, that there is no legal claim for the \$400,000 which this bill is going to authorize, or make it possible for the local township to take the steps by by-law on.

In documenting this fact that there is no legal claim, I want to draw the attention of hon. members to the fact that, when this matter was coming

under consideration in November of this past year—after, I remind the House, some years of these matters drifting along—it was considered on November 2nd by a special meeting of the commission officials and township officials of Scarborough. When they considered it—I want to read briefly from the minutes of the meeting:

Messrs. Beckett and Taylor expressed an opinion that our commission has not authority or legal responsibility to make payments to the subdividers due to the ruling of the Ontario municipal board—or, in other words, until the Ontario municipal board approval has been received, no payment could legally be made.

Then, at the conclusion:

On the recommendation from Mr. Taylor, the commission agreed to recommend to council that the reasons for a public hearing which had been made at some earlier date which could only question the jurisdiction of the board, it should be withdrawn, dependent upon a formal meeting with the board to be arranged with Mr. Beckett. Mr. Beckett was to request a delay of the public hearings until after the informal hearing.

Then, some two weeks later, on November 16th, there was a meeting of the same special group in which Mr. Beckett reported, after his meeting with members of the municipal board, he advised:

The board had definitely no jurisdiction to approve of works which had been already constructed prior to requesting for their approval.

Mr. Beckett advised that the only recourse now open was for the commission to pass a resolution requesting the township council to present a private bill to the Legislature, if the commission was of the opinion these accounts should be paid the commission stated it had always been their intent to pay these accounts subject to receiving proper approvals—

which had never been secured from the municipal board. I submit, Mr. Chairman, in terms of a legal claim, all you have to do is read the records from these official minutes and you will find there is no legal claim for these until they have been approved by the municipal board—and they have never been approved by the municipal board.

HON. A. K. ROBERTS (Attorney-General): Who says they should be approved by the municipal board; is that the hon. member's opinion?

MR. MacDONALD: That is so, I am quoting from the minutes.

HON. L. M. FROST (Prime Minister): In this bill, apparently this sum of money in these claims are passed on, united into the sum of \$397,829.99, to the municipality of metropolitan Toronto. I suppose that is under the financing arrangement under what we call Bill No. 80. Was there any objection from the municipality of metropolitan Toronto in this?

MR. J. A. MALONEY (Renfrew South): They approved of it.

HON. MR. FROST: I am quite frank in saying that I dislike very much here in the Legislature passing bills validating what municipalities do in a mistake of law.

Of course, on the other hand, I know that happens. Sometimes these things happen with the municipal board itself. I think we are the present time taking steps to validate some mistakes of the municipal board which arose because they did not have a proper quorum.

MR. MacDONALD: The hon. Prime Minister is once again interrupting me, and anticipating things I am going to say. What I have to say is factually documented and unless approved, there is no legal claim.

MR. G. LAVERGNE (Russell): The hon. member is as wrong as he can be.

MR. MacDONALD: There is no legal claim to these bills until they are authorized by the municipal board, and they have never been authorized by the municipal board.

MR. MALONEY: Mr. Chairman, that is a misconception of the law, and the hon. member for York South knows it, because it was pointed out to him in committee what the law is. The hon. member should stick to his last, as I have told him on previous occasions.

MR. T. GRAHAM (York Centre): Mr. Chairman, may I ask a question?

In reference to the resolutions which were passed by the Scarborough utilities commission and the Scarborough council which we saw in the committee meeting, were they not legal in this, insofar as Scarborough is concerned? They were produced in committee and the hon. member for York South saw them, and there was quite a stack, containing resolutions of both the utilities commission of Scarborough and the township council of Scarborough authorizing payment.

MR. MacDONALD: I will give a little background to this.

MR. LAVERGNE: Did the hon. member see them or did he not?

MR. MacDONALD: No, I did not, because the reeve came in and went through quite a list.

Mr. Chairman, have I the floor or am I to have an opportunity to present this?

THE CHAIRMAN: You have the floor.

MR. MacDONALD: I remind hon. members in this House, and particularly the hon. Prime Minister, because I am going to make my appeal mostly to the hon. Prime Minister, that these matters have been dragging over for a great number of years, that only in the year

1956 did they get around to realizing what obligation there was to Scarborough township.

During the course of the year, there were a great number of these passed from the public utilities commission merely as a procedure to facilitate their being passed to the municipal board to find out whether the municipal board would "okay" them.

They never got to the municipal board because it was indicated in private approaches by the solicitor of Scarborough to the municipal board that there was not point in bringing them, because it was absolutely beyond their jurisdiction.

The second point I want to make, beyond a legal claim or the lack thereof, is that there is no moral claim to the payment of these things. This is the point I am addressing myself to, the one which the hon. Prime Minister was raising.

Every year, we have a few instances, which come before this session, of inadvertent failure to live up to the rules with regard to municipal affairs, and these have to be regularized before they can be proceeded and everything put on an orderly basis.

But, I want to suggest that this situation is in an absolutely different category. There was no inadvertent failure to conform with the regulations but that there was a knowing, a calculated breach of the regulations.

As a matter of fact, the sponsor of the bill, in a local newspaper in which his weekly newsletter appears, is quoted on March 7th as describing it as, "because of an oversight." It is an oversight merely as far as he is concerned. In *Hansard*, on page 950, when we discussed this earlier in this House, it was described as "not properly processed."

There is another story in another of the newspapers in the Scarborough area which is presumably on the basis of a quotation by the reeve, because it is

interlarded with direct quotations from him, and it says this:

In the subdividers' agreements, the builders were told to go ahead with oversize water mains and that they would be reimbursed later.

The question is: by whom were they told to go ahead? If one reads the minutes for some years back, he will find there are verbal agreements.

Now, whether or not these subdividers proceeded with verbal agreements from other people—whether it was the reeve or whom—is not the question; the point is they proceeded and therefore had themselves elected to eliminate their legal claim to payment on this.

MR. LAVERGNE: The hon. member is wrong.

MR. MacDONALD: They had no legal claim to payments on this until they were authorized by the municipal board, and once they had proceeded to instal the water mains, it is impossible for the municipal board—it is forbidden by The Municipal Act—to rule on the thing at all. So by their proceeding, they themselves elected to eliminate their legal claim to payment of these sums.

There are two other reasons which go along with this, which substantiate the fact that there is no moral claim. The question is, why did they proceed—why did they proceed when they did not have the rightful authorization?

MR. LAVERGNE: They were asked to.

MR. MacDONALD: They proceeded on verbal agreements, it is true, but they proceeded—and even more important they proceeded because of the fact they were in a boom market and in a boom market in real estate. If they could avoid the delay of 10 months of time which might be required for municipal board authorization, then they were money in pocket, even though they could not have a certain deal with regard to oversize pipes—

MR. W. H. COLLINGS: (Beaches): Mr. Chairman, would the hon. member permit a question?

MR. MacDONALD: No, I will not permit a question, I have listened enough to hon. members on the other side of the House. The hon. member for Riverdale (Mr. Macaulay) has not answered a question from me this session.

The other important point on the moral aspect of the thing is this, that there is absolutely no doubt — and we had ratepayers who came before the committee when this bill was being considered, the second time, who testified from their own personal experience — there is absolutely no doubt that the cost of these oversize water mains was included by these subdividers on the land and in turn, was passed on to the builders and —

MR. LAVERGNE: That is an absolute lie.

MR. MALONEY: Absolute falsehood.

MR. MacDONALD: There was testimony to this effect by certain people on the committee, and anybody who does not believe that a subdivider, who has not an iron-clad claim to get this money back, would not put it on his general costs, is just being, I repeat, a little bit naive.

The next question I want to ask this House is: Who is pressing for the payments of these sums of money?

We have had an indication from the actual minutes of the meetings in the municipal council, and the special committees involved, that there was no suggestion at all that there was pressure by any one of the subdividers. The suggestion that this payment should be made came from the solicitor who happens to be an hon. member of this House and it is unfortunate he is not in the House tonight, so we could have some answers to some questions.

MR. A. H. COWLING (High Park): The reeve wanted it.

MR. MacDONALD: The reeve in the first instance was not sure he wanted it, and there are a lot of people in Scarborough who will relate that.

Now, then, the thing I want to ask, Mr. Chairman, is this: Who, amongst these people, are asking for the payment of these moneys?

MR. COWLING: The reeve.

MR. MacDONALD: Nobody has given — and this request was made, for example, in a letter which I sent to the chairman of the committee — there was no evidence given before the committee, either written or verbal evidence, as to who was making request for payment of these things, in some instances years after the event.

For example, just let me take a few of them. I have the list of those claims which add up to the \$398,000, or the \$400,000.

Here is a company, for example, Yates Company, and I can take the House back to municipal minutes in here which indicate that the solicitor for Yates Company happened to be the hon. chairman of the finance committee. The interesting thing is that, in all instances when this was considered at the finance committee level, the hon. chairman of the finance committee absented himself from any decisions with regard to the claims of this company; and yet, when it came before the council we are told that this was passed unanimously. Therefore, he sat in on a decision on one of his own clients, on the claims coming from the Yates Development Company.

Here is a company, the Gordon James Construction Company.

HON. MR. FROST: How many companies are there altogether?

MR. MacDONALD: I have not added them all up. There are duplicate claims in many instances.

Here is the Pugh Brothers, which happens to be the company involved in some of the legal actions at the time of the so-called "bribery charges." The Pugh Brothers were the apparent donors — the alleged donors — of a certain Cadillac that went to a certain municipal official.

Is the Green Cedars Development Company one of the companies which is asking for payment? I ask that for a reason which I will come back to in a moment. Is the Keystone Realty Company one of the companies that is asking for payment?

It is rather interesting, everybody seems to be out of the House.

HON. MEMBERS: We are all here.

MR. MALONEY: I am here, and I am somebody, as the hon. member will soon find out.

MR. MacDONALD: The Keystone Realty Company has 4 claims aggregating \$33,000, and it happens to be owned by an hon. member of this House.

AN HON. MEMBER: What is wrong with that?

MR. MacDONALD: The hon. member for Woodbine (Mr. Fishleigh) — did his company make a claim for the payment of these?

Here is another claim that was made for payment — a company that is known as R. H. McGregor. Is that where some of the claims came from for these payments? These are all questions that are being asked by the citizens in York-Scarborough.

MR. COWLING: By the council.

MR. MacDONALD: Just let me remind the hon. chairman of the committee that, when I got up and asked the hon. chairman if I could ask certain questions with regard to this, he said it was out of order.

MR. MALONEY: I said absolutely nothing of the kind. I saw the hon. member privately after the meeting was over, and he congratulated me on the fair manner in which he was treated.

MR. MacDONALD: I did congratulate the hon. member on his handling of that meeting, and I repeat the congratulations, but I got up at the end of the meeting, and there are minutes of that meeting and we will check them if the hon. member wants to deny it.

MR. MALONEY: The hon. member has not an ounce of decency in his whole carcass.

MR. MacDONALD: Then, the Trepeil Realty Company. Is that company asking for payment? Because I for one know, through having looked into the question, that the owner of that company happens to be a Parliamentary assistant in the House of Commons.

That brings me to my final point.

AN HON. MEMBER: That is good.

MR. MacDONALD: I know that hon. members do not like this, because I have looked into it rather thoroughly, but I am not going to be howled down by people who disagree. This is going to be pushed through.

MR. COWLING: There is nothing the hon. member can do about it.

MR. MacDONALD: That I can quite believe.

The point I want to draw to the attention of this House, and which I want to draw to the attention of the hon. Prime Minister, is that whether or not this is any violation of the law of the province may be questionable, but it is a violation of ethical practices, and, therefore, it is dragging down public morality on this issue; there is no doubt in my mind about that at all.

The people who are involved in the promoting of this, in many instances, have financial and other connections with the companies which are going to receive these payments.

The minutes indicate that the original proposal—that the only way these could be paid was through a private bill—was made by the solicitor who is an hon. member of this House. Unfortunately, he is not here tonight. The minutes indicate that at least one other hon. member of this House is going to be a recipient and he voted in committee—and I made a point of seeing whether he voted or not, because he happened to have gone out.

MR. MALONEY: The hon. member could crawl under a snake.

MR. MacDONALD: If I did, I would find the hon. member for Renfrew South right there.

Finally — and this is a very considered statement upon which I have taken legal advice before I make it — we have a situation in which the sponsor of the bill is an interested party. The sponsor of this bill happens to have sold properties and holds a mortgage for \$375,000 with the Green Cedar Development Corporation, and anybody who knows anything about real estate properties will know they are not now experiencing a boom market. What happens to the value of mortgages should the edge of the boom wear off? Anybody knows that a mortgage is not worth the paper it is written on unless these companies remain solvent. And we have had some examples of what has happened to real estate in subdividing companies recently.

Mr. Chairman, I said when I got up that I am presenting this to the House with as much, if not more, seriousness than any other issue that I have raised in this House, for very obvious reasons.

MR. R. E. SUTTON (York-Scarborough): What is the point that the hon. member is trying to make about me?

MR. MacDONALD: The point is that the people who are promoting this bill are people who are interested parties and who are interested in the companies who are going to be recipients of the \$400,000.

MR. COWLING: Is the hon. member counting the reeve and the council?

MR. MacDONALD: Since there is no legal claim, since there is no moral claim, since we have had no indication that the people involved have a real legal obligation, or have any real claim, or have presented no written or verbal demands — or we have had no indication of it — I suggest that the answer is best given in the advice to the committee by two of the councillors who came before it on the 'second meeting we held.

One of the councillors said he would be willing to pay if it were proved to him that there was a legal right, but after two months he is still convinced there is no legal right. That was Councillor Pyke.

MR. COWLING: He did not say that there was no legal right.

MR. MacDONALD: He says he is not yet persuaded, otherwise he would have—

MR. MALONEY: That is different.

MR. MacDONALD: He said he has not yet been given evidence to convince him that there is a legal claim; if there were he would be willing to pay for it.

Both councillors made that suggestion — and I would suggest to the hon. Prime Minister that this is the answer — that if there is a legal claim, or a moral claim in the minds of these subdividers who have let this matter run for years, then the answer is: Let them take it to court; and if they take it to court then the township will pay for it; and I am very certain—and there are a lot of people in Scarborough certain—

that their legal claim is non-existent and their moral claim is nil, so they will never take it to court.

Therefore, Mr. Chairman, so that we cannot be parties in what I suggest is going to be a lowering of the level of public morality in this province, I want to move, seconded by Mr. T. D. Thomas, that Bill No. 25 be not now read a third time—no, this is second reading—

THE CHAIRMAN: The House is in committee, as a matter of fact.

MR. MacDONALD: —be not now read — not now be considered — but read for a third time 6 months hence.

THE CHAIRMAN: You may make amendments to a section, but not to the bill.

Section 1 agreed to.

On section 2:

MR. MacDONALD: I move, seconded by Mr. T. D. Thomas, that section 2 of Bill No. 25 be not now read but be read this day 6 months hence.

THE CHAIRMAN: This is not a reading of a bill. It is considering it section by section, so I must rule that motion out of order.

MR. MacDONALD: I am sorry, Mr. Chairman, I am not familiar with the rules of the committee as such. If it is not in order now I shall move on the third reading.

My plea to the government is, in effect, the same thing: that this bill be withdrawn for reasons I think are solid and conclusive, and it leaves the way open as, at least, one of the councillors has indicated.

The procedure will be to test the legality and the moral claim, if there is any at all, in the courts, and then they will be paid. But, certainly, this House has no right to pass a bill which will be a green light to fasten a further \$400,000 of indebtedness on a township

which, like most of the suburban areas, is suffering financial difficulties.

MR. MALONEY: I would just like to point out to the hon. members of this committee that as usual the hon. member for York South has entirely missed the principle involved in this bill. This does not mean we are, whether it is legal or moral or otherwise, authorizing the issuing of debentures in the sum of \$400,000.

What we are doing, and what the committee has done after hearing all of the nonsense to which we have just listened, plus a little more that has been added tonight — and none of it was substantiated or backed up by the hon. member although he had every opportunity to do so —

MR. MacDONALD: I did not.

MR. MALONEY: — the second section of clause 2 reads as follows:

Council of the municipality of metropolitan Toronto, when required by by-law or resolution of the council of the corporation of the township of Scarborough, shall pass by-laws without obtaining the approval of the Ontario municipal board, and, without the recital of the approval therein, to borrow the sum of \$397,000.

That may never be done. But if the council, in its wisdom as the elected representatives of the people, feel that this money is owing — legally, morally or otherwise — then we give that council permission to issue these debentures without going to the municipal board. That is all we are doing.

MR. MacDONALD: It is being legalized.

MR. MALONEY: I am being rational, and I am not one who would like to be categorized as a person who was here not knowing what he was talking about and attempting to avoid the very basic principles of this bill in

order to scrape the bottom of the barrel and heap abuse on the hon. member's own colleagues in this House and other very respectable citizens.

MR. MacDONALD: Let the hon. member just deal with the issue.

MR. MALONEY: That is what the hon. member for York South did not do. He is so completely devoid of the ordinary principles of decency that should motivate every human being that he is even afraid now to listen to the things that he, himself, has brought up in this House. Any man who would — particularly in the absence of the hon. members concerned from this House — cast aspersions on their character is, I submit, not a fit and proper person with whom we should deal.

MR. MacDONALD: I rise on a question of privilege; I have cast no aspersions on any hon. member of this House.

AN HON. MEMBER: No, the hon. member has just smeared them.

MR. MacDONALD: I have stated factual evidence that there are two or three people engaged in the promotion of this bill who are financially interested in it, and that is something which is legally, in every context, in violation of the law of this province.

MR. A. GROSSMAN (St. Andrew): Did the hon. member prove that Mr. Sutton was legally interested?

MR. MALONEY: The statement made by the hon. member for York South that no payment could legally be made without concurrence of the municipal board is something which has been dealt with by the private bills committee on more than one occasion when he was present as an hon. member. The same thing came up with my own county of Renfrew, when they had undertaken to do some work for the county good roads system. Before starting work they failed

to get the approval of the Ontario municipal board and that is exactly what is involved here.

MR. MacDONALD: Inadvertently.

MR. MALONEY: The hon. member has made a distinction, "inadvertently", and what he has said is that is this particular case we have subdividers "in cahoots" with municipal authorities.

If ever there was a statement made by a man in public life more uncalled for, more unjustified and less substantiated, I have yet to hear that statement.

We had the reeve of the municipality there; we had the chairman of the public utilities, who was a fine upstanding old man by the name of Brown, if I recall it, and whose honesty and integrity permeated from that man's very being, and should have been sufficient for the hon. member.

But no, no, he comes in here now and produces statements which were not produced before the committee.

Despite the fact that every opportunity was given to Richards, the man who was the chairman of the ratepayers' association or some such thing, the man who made this ridiculous statement: "If we have to pay this, let us pay it all in one year and put it on the tax bills of the people of Scarborough." That is what he said; and that shows how much attention we should pay to a man of that nature.

We have these two councillors who said if it was legal, it should be paid, if it was a moral claim, it should be paid, and when they were asked by myself if those oversize mains had been installed and were for the benefit of all of the township of Scarborough, their reply was, "yes."

There is no factual evidence that this has been paid for either in deals with the subdividers or otherwise. This is money which the municipal authorities themselves are satisfied is owing, and we merely have given that council authority to issue the debentures without the

formality of going to the municipal board which no longer has any power to deal with it.

HON. MR. FROST: I would like to ask a few questions of the hon. chairman of the committee. May I say, Mr. Chairman, that this bill was introduced into this House and it went to the private bills committee and was reported back to the House. At that time, the hon. member for York South raised objections and said that, at the meeting of the private bills committee, there had not been the opportunity of bringing up certain matters. Accordingly, I moved that the matter be referred back again to the private bills committee, and the private bills committee was reconvened, although I believe the work was done at that time. It was reconvened in order to hear the matter. I think that is the factual commencing of this matter.

I feel I should give the background to this situation.

Those who have read the press know that the council, which we might call the Crockford regime, was defeated in the elections of the fall of 1955. What we might call the Harris regime, for the purposes of brevity, came into office at that time and continued in office in the township of Scarborough until this last election in December, and then the Harris regime was defeated, and what we might term as the Campbell regime came into office and Mr. Campbell is the present reeve of that municipality.

Mr. Campbell and his council made application for this Act validating or giving them certain powers, and authorizing the municipality of metropolitan Toronto to raise certain moneys under The Metropolitan Toronto Act and to give that money to the municipality or make it available to the municipality—that amount being charged back to the municipality over a period of 15 or 20 years, whatever the by-law calls for.

I understand the hon. member for Renfrew South, who was the chairman of the committee, said that this is an authorization given by us to the council

to deal with these claims, and that the council is responsible for the validity of the claims, and the justice of them, and that we are not passing on that matter. Is that correct?

MR. MALONEY: That is definitely correct, and that is exactly what clause 2 of the bill says.

HON. MR. FROST: Mr. Chairman, the point is this:

I have objections to giving blanket validations. I have had objections since the days I was in opposition to, for instance, validating *in toto* tax sales. I still have objections.

In fact, I do not see them coming here now, validations of tax sales. I used to take the strongest objection to that, perhaps depriving a person of his or her property and then validating it in this Legislature. It seemed to me it was totally unjust, and I have no idea of being a rubber stamp for anybody.

In this case, I think we have to look at the history of it. The township of Scarborough has had its difficulties. But the people down there in their wisdom have acted. The people, in their wisdom, knowing full well there were difficulties, elected what we might call the Campbell regime, to clean matters up, and the Campbell regime comes here and asks for authority to use moneys, as the elected representatives of the people, to settle certain things.

Mr. Chairman, we might think of this. There is a council elected by the people. Is it our business here to question the legality or the morality of those claims? I have not any way of knowing. I do not think any hon. member here has any way of knowing whether these claims are good or bad. Surely that is a matter for the council to determine. Surely it is a matter for the council of Scarborough to decide.

I see here, for instance, the first item on schedule B is on Foxridge Drive, Kennedy Road, West Limit, plan 639, \$1,904.61. I have not any idea, and I

do not think any hon. member of this Legislature has any idea or is competent or is called upon, to pass as to whether that is valid. But it is for the elected representatives of the people, and that municipality surely can decide. Why should we go behind what the elected council in its wisdom says? After all, the people put them there.

MR. MacDONALD: Would the hon. Prime Minister permit a question?

HON. MR. FROST: Yes.

MR. MacDONALD: We have established a municipal board which is considered and acknowledged as being the watch-dog over the financing arrangement of municipalities.

HON. MR. FROST: They would not go into that portion of it, either. That action is a matter for the council.

MR. MacDONALD: Here is—and the evidence I suggest is conclusive—a calculated and a deliberate action to circumvent the normal powers of the municipal board. There is no doubt about it. It went on for a period of years.

If that is the case, my question to the hon. Prime Minister is this:

If, when this kind of thing happens, what is going to happen to the authority of the municipal board, if all that has to happen is to have a bill come in here and we legalize the payment of this money, which, in effect, throws out of the window the whole normal powers of the municipal board and their watch-dog character and everything?

HON. MR. FROST: I would say to the hon. member, as I must again say, I do not like these things, these validating matters which come up, but they do come up in scores of cases.

MR. MacDONALD: Not calculated. This is calculated.

HON. MR. FROST: That is what the hon. member says. On the other hand, the Campbell administration elected by the people, a council elected by the people, passed on these things, and they feel it is for them to decide the legality or the morality of it. They are responsible to the people, and surely the people of Scarborough have elected them to do their business. This is not the regime that passed these or did these things.

MR. MacDONALD: I am not so sure about that point.

AN HON. MEMBER: The hon. member is never sure about anything.

HON. MR. ROBERTS: Mr. Chairman, may I say just a word on this? I think it is very clearly decided by law. There was a case quite recently, *Dilworth vs. the town of Bala*, in 1953, O.R., in which it is fairly clearly established, and I will read from this case:

Where money has been expended for the benefit of a municipality or has been paid to it under a contract, expressed or implied, that is beyond the powers of the corporation, the municipality must still account for the money.

If the council of this municipality is prepared to recognize contractual relationship with these people, and account for the money, that is something which could be determined in the courts. But what we are doing here is, in effect, helping the municipality by enabling them to get the money over a 15-year period rather than perhaps admitting an account which would have to be paid all at once.

If that is the law, and I think it is, I think the hon. member for York South, in spite of the fact he is undoubtedly speaking from what he thinks is a proper perception of this case, really is not getting at the actual position: these people could sue the council, could sue the municipality, and if the council's attitude is that they are liable, could get

judgment, and then the taxpayers of that whole municipality might have to pay at once rather than over 15 years.

MR. MacDONALD: If that principle is a valid principle, one might as well take the powers of the municipal board in their normal supervision of finances and throw them right out of the window, because all any municipality would have to do is enter into a verbal agreement and thumb its nose at the municipal board, and then afterwards it goes to the court and they are obligated to pay it anyway. I mean, what have we the municipal board for?

MR. COLLINGS: May I ask the hon. member a question? Does he not put any reliance in the opinion of Mr. Brown, the elected representative on the utilities commission, in which he told the committee that it took months to determine the amount of the oversize main? Surely the hon. member remembers Mr. Brown coming and telling us that. So, although he says this was some "secret" way of allowing these bills to climb up, that was actually the reason.

MR. MacDONALD: No. The hon. member is misconstruing what I was saying. What I said is this, and I know it to be a fact because the reeve, who was responsible for doing it, has told me these things personally:

In the beginning of the year 1956, there were questions raised with regard to these alleged obligations for oversized water mains, so the public utilities commission — which is made up of the two commissioners plus the reeve — began to look into the situation, starting about March or April, 1956.

About June or July, when they got it all totalled up, to the amazement of everybody in the public utilities commission, this was not just a few tens of thousands of dollars. It is now up to around the \$400,000 mark. They themselves were surprised because the things had been accumulating over a 4- or 5-year period, with many people — including the subdividers, for reasons I have

already indicated — being so little convinced themselves that they had a claim, that they had never made any representations at all to the representative body.

MR. COLLINGS: Is the hon. member for York South saying, then, that ex-Reeve Harris sat in on a committee to look over these claims?

MR. MacDONALD: Ex-Reeve Harris sat in on the committee, and he was among those who asked them to send the claims through to the municipal board —

MR. COLLINGS: All right, then.

MR. MacDONALD: — and when they were going to send them to the municipal board, they received word, either verbal or otherwise, that the municipal board could not consider it.

But the committee did, upon their representations from the municipal board, get this word, that the municipal board was willing to hold a public hearing to review the whole situation.

As a matter of fact, I am not so certain but that this would be a very good thing, in terms of an official body to look into the whole situation established by this government, in accordance with some laws which we have under The Municipal Act.

They never proceeded to the holding of a public hearing to look into the situation, for reasons that I quoted from the minutes, that they would be questioning the jurisdiction of the board.

HON. W. K. WARRENDER (Minister of Municipal Affairs): May I say a word about the municipal board? The hon. member for York South makes the suggestion that this is by-passing the municipal board and is going to undermine the whole set-up and the reviewing procedure of the municipal board, and so on.

THE CHAIRMAN: Order, please.

HON. MR. WARRENDER: There have been many cases where there was irregularity, oversight and so on, and municipal people have failed to go through the normal channels to the municipal board, and this is the only legal way it can be handled, by coming before the private bills committee.

MR. MacDONALD: They did it for 4 years.

THE CHAIRMAN: Order.

HON. MR. WARRENDER: Just a moment, now. The hon. member has had his say. I was very quiet while listening to him, and now let him be quiet as he listens to me for a while.

MR. MacDONALD: Certainly.

HON. MR. WARRENDER: These are the proper channels — to go before the private bills committee and get a private bill. This is the only remaining way to do it. The hon. member therefore suggests this is undermining the whole principle which has been espoused by the municipal board over the years. That is not correct.

Some day, and maybe very soon, this same municipality is going to have to come back before the municipal board in a legal way, in the normal procedure, and seek the guidance of that board in getting, perhaps, approval of debentures and so on, for some other capital expenditure in that area. At that time there is not any doubt in my mind that the chairman of the municipal board, the municipal board itself, will be cognizant of exactly what has gone on there, and will take that situation into consideration when saying to that municipality, "We do" or "We do not approve of your debentures from this time forward, for a certain period."

So I think the hon. member is unduly alarmed about that, but the municipal board will be well aware of what has gone on and will be watching that closely in future.

He does not have to worry about this particular bill, I suggest. I do not know all the background, but it seems to me that he is skirting, as the hon. member for Renfrew South said, the very principle of section 2. All it does is to enable this municipality to get itself out of this financial predicament, and rather than load the taxpayers in any current year with that huge sum of \$390,000, which would mean a considerable increase in their mill rate, they will go before the metro council to borrow some money by debentures, to spread the cost over a period of time. What is unreasonable about that?

As the hon. Prime Minister said, if there is anything wrong behind the scenes, they are the elected representatives, representing the people of that township, answerable to the people in that area, and they can be brought to account before the courts of law if there is anything wrong.

MR. SUTTON: Mr. Chairman, may I say this is a typical presentation of the hon. member for York South? He is badly misinformed. My property was sold to Blake Bros. through a nominee, I think it was the Green Cedar Development Company, which have been developers for a number of years. There are no water mains in front of my property as yet. The water mains involved in this bill are on Mr. Nelson's farm, and have nothing whatever to do with me.

MR. MacDONALD: I did not say that the water mains were in front of the hon. member's property.

AN HON. MEMBER: Then what did he imply?

THE CHAIRMAN: Order, please.

MR. SUTTON: Mr. Chairman, the misinformed member for York South said, on page 945 of *Hansard*:

I draw to the attention of the House that the secretary of the Progressive Conservative Association of

Scarborough township has resigned, and stated publicly that her principles would not permit of her condoning the kind of thing that this bill is going to do.

Now here, Mr. Chairman, is a copy of that resignation:

Herewith my resignation as secretary-treasurer of this organization, effective as of this date.

And the date is January 7th, and this bill was not even read for the first time by the Scarborough council until January 21st. What effect could it have had on her at that time? She says:

My resignation has become necessary as my principles do not allow me to condone the methods pursued in the operation of this association with total disregard of the rules and regulations as contained in the constitution.

It was a matter of whether or not the members of 1956, or the members of 1957, would be delegates to the convention selecting a representative in the federal election. It had nothing whatever to do with this bill. And yet the hon. member for York South uses something like this as a smear campaign—

MR. MacDONALD: Mr. Chairman, I am going to—

THE CHAIRMAN: Order.

MR. MacDONALD: Just a minute, now. My position is misrepresented. I rise on a question of privilege.

THE CHAIRMAN: Order. The hon. member for York South is out of order. Sit down.

MR. SUTTON: The reeve of the township came into the committee meeting with photographed resolutions of every foot of pipe or oversize water mains in the whole three schedules, B, C and D. He also came into the meeting with a sheaf of letters from

different subdividers requesting payment for their bills—not only subdividers, but in many cases the chartered accountants and so on, asking when this item could be taken in their current bills receivable records. In each case there is an answer, and the records of the public utilities commission are full and complete.

MR. GROSSMAN: How far back do those go? That is an important question.

MR. SUTTON: Does the hon. member for St. Andrew want the letters tabled?

MR. GROSSMAN: No, but how far back do they go? Will the hon. member read them to the House? Will he read 1953 and 1952?

HON. MEMBERS: No, no.

MR. SUTTON: The top one is 1954.

MR. GROSSMAN: That is 3 years ago.

MR. SUTTON: But in most cases the developments refer to 1953 to 1956, and prices on schedule C are not even finalized yet.

The public utilities commission up until 1953 had an earned surplus, and they had current revenues which met all of these items; starting in 1953 they had to issue debentures to pay for those items, and in each case the resolution says "subject to the approval of the Ontario municipal board."

The first item of \$27,352.73, to cover the cost of oversize water mains in the Monarch subdivision, was approved by the municipal board, the debentures issued and the subdivider was paid the \$27,352.73.

The next item which was allowed to accumulate was \$17,121.81, and the township requested that it was advisable to hold this request and forward this and others in a group to simplify

the work involved. They held over this amount of \$17,000-odd until it became \$173,000.

MR. MacDONALD: In other words, they ignored the municipal board.

MR. SUTTON: These water mains were being built so rapidly that schedule B became \$173,000, and schedule C became \$67,000, and those two items were turned down by the Ontario municipal board with the statement that they did not have jurisdiction since the works were completed.

Both those amounts were then approved by the council of the municipality of metropolitan Toronto, so that if any subdivider in schedules B and C has not a legal claim, it is extraordinary.

Hon. members of this House who have had municipal experience know the steps taken by a subdivider. They know that he first has a plan, and I would say that that is a legal instrument. Then he comes before the council and there is a subdivider's agreement. That is another legal instrument, and that is a green light to the subdivider, provided he puts in roads of a certain width and a certain depth of gravel, and a certain grade, and curbs and sidewalks, according to the specifications of the works department, and sewers and water works according to the specifications of the public utilities commission. That is another legal document which the subdivider has.

At this stage, the subdivider deals with the public utilities commission, and where the subdivider's property abuts one of the main highways he has to put in an oversized main, and the size is determined according to the engineer's report as to how much property of the subdivision has to be subsequently subdivided.

Now, in the period of 1953, the price for 6-inch main was approximately \$5 a foot to lay. An 8-inch main was approximately \$7.50 a foot, a 12-inch main was \$10 a foot, a 16-inch main was \$16 a foot. It would be a simple mathematical

problem to take Bill No. 25 and estimate the number of feet of the different size pipe, and apply the prices which I have stated, and it may be found that the value received by the ratepayers of the township for the amount of pipe amounts to \$822,000, of which the ratepayers are liable for \$397,000. In other words there was more than a dollar's value for each dollar spent.

There was a saving of \$400,000 for the ratepayers of Scarborough. And the resolutions of the public utilities commission were other legal instruments supporting the subdividers claims.

The hon. Leader of the Opposition spoke of local and municipal autonomy here this afternoon. The elected representatives of Scarborough in their wisdom, after studying all the matters involved, decided that these claims were due and payable, and they are asking us to authorize the issuance of instalment debentures from one to 15 years to pay \$28,000 a year.

I am quite sure that such a bill should receive our support.

HON. MR. FROST: Mr. Speaker, may I point out that I have had the opportunity of looking over this bill, and I quite agree with the interpretation by the hon. chairman of the private bills committee. The effect of this bill or this section is this: It gives a municipality the power to expend \$397,829.99.

Now, for this purpose I will take just the first item which is drawn up this way, it gives the general power to spend that much money and to requisition in the ordinary course to the metropolitan council. The schedule is this, it is for this purpose, on Foxridge Drive, from Kennedy Road to the west limit of plan M639, to spend \$1,904.61.

But, Mr. Chairman, it does not say in here to whom that money is to be paid. We are in no way passing upon the validity of any claim whatever, we are giving the municipality in its discretion the right to spend so much money on that basis.

The council, the elected representatives of the people, must pass and must take the responsibility of saying and determining to whom and in what amount and for what purpose this money is to be spent.

That is what we are doing, and that applies throughout the schedules here.

I had thought in the first instance that it might mean that, in the schedule of the Act, there was set out certain claims by X Construction Company and it was for so much money.

MR. MacDONALD: Here they are.

HON. MR. FROST: Well, concerning the implication that we might be validating such claim, Mr. Chairman, may I point out that we are not. We are giving to the municipality the authority to pass upon, and to spend up to, so much money on places geographically located in the township and here described. But we are not passing on any claim. That claim is for the municipality to determine, and I would think on looking this over that this is a good bill.

If there are objections, then the ratepayers of Scarborough should go to their council and object. As a matter of fact, once this is done it is not giving authority — we are not giving them authority, as a matter of fact — to pay any bill, we are giving them the authority to expend these moneys on certain geographical locations in the municipality.

I would say to the ratepayers of that municipality that if they object to any portion of these payments at all, they should go to their council. They could say: "Now, you paid X some \$5,000, but you had no right to pay X that much money, because the money is not due to him," and the responsibility then is up to the municipality. I think that is the meaning of this.

In view of all the investigations that have taken place, I think we ought to give the council that power and that

responsibility, and it is up to the people to re-elect or discharge from office that council. I think it is our responsibility to give the council the authority to do as I stated and it seems to me that is the clear meaning and intent of this bill.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Chairman, I am quite frank to admit that I am not fully seized with the ramifications and the various angles that this bill possesses, and what has gone on in ancient history. But I wish to say two things to this House tonight, and one has been said by the hon. Prime Minister just a moment ago.

In matters of this kind, first of all, it is not an unusual procedure for a bill of this character to come before the private bills committee to be ratified. That is done, as every hon. member of the House knows, each year. One, two or more of these bills come before the private bills committee each year.

It may be the principle is wrong: the hon. member for Bruce (Mr. Whicher) was telling me just a few moments ago that in his town of Wiarton a while ago they went ahead and did something without getting the direction of the municipal board, it was inadvertent — and I do not know whether this was inadvertent or not — but I say to you, Mr. Chairman, I do not believe for one moment that the council of the township of Scarborough would come to the private bills committee and ask for validating legislation to cover up wrongdoing in that township.

I know, and have known, the reeve of Scarborough for a number of years, and I do not believe for a fraction of a second that Mr. Campbell would condone anything that is not right, and some of the information the hon. member for York South is getting excited about arises from the fact that Mr. Campbell defeated a friend of the hon. member in the last election.

I suggest to the House at this time that it give to the township of Scar-

borough this power or duty, whichever it may be called, and it is up to the township council of Scarborough to work out a solution. They must answer to the ratepayers of the township of Scarborough, and there cannot be very much wrong with that.

Sections 1 to 4, inclusive, agreed to.

Schedules A to D, inclusive, agreed to.

Preamble agreed to.

Bill No. 25 reported.

CITY OF HAMILTON

House in committee on Bill No. 27, An Act respecting the city of Hamilton.

CLERK OF THE HOUSE: This bill has already been through the committee, section by section, and it is referred back merely for the purpose of amendment.

MR. R. E. ELLIOTT (Hamilton East): It has been through the committee. The city of Hamilton, or the metropolitan area of the city of Hamilton, enjoys the same privileges regarding selling non-sale debentures as is granted to Hamilton in this bill, and they have found that the metropolitan area is tied up to these clauses which are in this amendment; and they are asking that the same thing be extended to the Hamilton bill. They cover 3 pages, and if hon. members wish me to read them, I will.

HON. MEMBERS: No, no, no.

MR. ELLIOTT: But the city treasurer, the mayor, and the board of control have discussed it with the municipal board and they are all in agreement with it. Everybody is quite satisfied with the whole situation.

If you wish that I should read them, I will.

THE CHAIRMAN: Shall the amendment become part of the bill?

Amendment agreed to.

Bill No. 27 reported.

CITY OF WINDSOR

House in committee on Bill No. 31, An Act respecting the city of Windsor.

CLERK OF THE HOUSE: The situation is the same here. This bill has been through the committee and it has been referred back for the purposes of amendment only.

HON. MR. WARRENDER: I explained the other day the purpose of this amendment, and when I read it, it will be self-explanatory.

I move that Bill No. 31, An Act respecting the city of Windsor, be amended by adding thereto the following section, section 7:

Notwithstanding any other Act, the council of the corporation is authorized to pass by-laws placing the construction and management of a civic auditorium in the city of Windsor in the hands of a committee of trustees appointed by the council, and constituted in accordance with the trust contained in the last will and testament and codicil of the late Edmund Anderson Cleary, of the city of Windsor, which was proved and registered in the surrogate court of the county of Essex on July 19, 1955; and that sections 7 and 8 of the bill be re-numbered as sections 8 and 9 respectively.

THE CHAIRMAN: Shall the amendments become part of the bill?

Amendments agreed to.

Bill No. 31 reported.

HON. MR. FROST: I move that the committee rise and report certain bills with, and certain bills without, amendment, and certain resolutions.

Motion agreed to; the House resumed, Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole House begs to report certain bills with amendments, certain bills without amendments, and certain resolutions, and begs leave to sit again.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, tomorrow it will be budget debate with, also, the third readings on the order paper.

MR. WHICHER: Is that for the afternoon?

HON. MR. FROST: Yes, for the afternoon.

I am rather anxious not to put anything on the order paper which would be contentious, but there might be some matters in committee which could be disposed of; but if there are any objections from any of the hon. members, I would hold them over.

MR. OLIVER: Any estimates?

HON. MR. FROST: No. I think I will hold The Department of Highways estimates until Monday.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 12.40 of the clock a.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, March 29, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Friday, March 29, 1957

Fourth report, standing committee on health, Mr. Dymond	1813
Motion re necessary payments pending voting of supply for 1957, Mr. Frost, agreed to	1813
Municipal Act, bill to amend, Mr. Frost, first reading	1813
Gordon William Innes, M.P.P., bill respecting, third reading	1814
Highway Improvement Act, 1957, bill intituled, third reading	1814
Power Commission Act, bill to amend, third reading	1814
St. Lawrence Development Act, 1952 (No. 2), bill to amend, third reading	1814
Mining Act, bill to amend, third reading	1814
Homes for the Aged Act, 1955, bill to amend, third reading	1814
Law Society Act, bill to amend, third reading	1814
Summary Convictions Act, bill to amend, third reading	1814
Gasoline Tax Act, bill to amend, third reading	1814
Municipal Act, bill to amend, third reading	1814
Municipality of Metropolitan Toronto Act, 1953, bill to amend, third reading	1814
Corporations Tax Act, 1957, bill intituled, third reading	1814
An Income Tax Rental Agreement, bill to authorize, third reading	1814
Logging Tax Act, bill to amend, third reading	1814
Motor Vehicle Fuel Tax Act, 1956, bill to amend, third reading	1814
Mining Tax Act, bill to amend, third reading	1814
Administration of Justice Expenses Act, bill to amend, third reading	1814
Coroners Act, bill to amend, third reading	1814
Crown Witnesses Act, bill to amend, third reading	1814
Crown Attorneys Act, bill to amend, third reading	1814
Municipal Subsidies Adjustment Act, 1953, bill to amend, third reading	1814
Certain Agreements Entered into by The Hydro-Electric Power Commission of Ontario with Certain Quebec Power Companies with Respect to Frequency Standardization, bill to validate, third reading	1814
Mining Act, bill to amend, third reading	1814
Public Vehicles Act, bill to amend, third reading	1814
Public Commercial Vehicles Act, bill to amend, third reading	1814
Housing Development Act, bill to amend, third reading	1814
Child Welfare Act, 1954, bill to amend, third reading	1814
Change of Name Act, bill to amend, third reading	1814
Surrogate Courts Act, bill to amend, third reading	1814
Financial Administration Act, 1954, bill to amend, third reading	1814
Statute Labour Act, bill to amend, third reading	1814
Legislative Assembly Act, bill to amend, third reading	1814
Township of Scarborough, bill respecting, third reading	1814
City of Hamilton, bill respecting, third reading	1822
City of Windsor, bill respecting, third reading	1822
Resumption of the debate on the budget, Mr. Child, Mr. Herbert	1823
Motion to adjourn debate, Mr. Pryde, agreed to	1833
Motion to adjourn, Mr. Porter, agreed to	1833

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

FRIDAY, MARCH 29, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. M. B. DYMOND: Mr. Speaker, I beg leave to present the fourth report of the standing committee on health and move its adoption.

CLERK OF THE HOUSE: Mr. Dymond presents the fourth report of the standing committee on health as follows:

Your committee begs to report the following bill without amendment:

Bill No. 85, An Act to amend The Cemeteries Act.

Motion agreed to.

MR. SPEAKER: Motions.

HON. L. M. FROST (Prime Minister): Mr. Speaker, this motion is necessary owing to the fact that this House and the voting of supply will run over March 31st, the end of the fiscal year.

I move, seconded by hon. D. Porter (Provincial Treasurer), that the provincial auditor be authorized to pay the salaries of the civil service and other necessary payments pending the voting

of supply for the fiscal year commencing April 1, 1957 — such payments to be charged to the proper appropriations following the voting of supply.

Motion agreed to.

MR. SPEAKER: Introduction of bills.

THE MUNICIPAL ACT

HON. MR. FROST: Mr. Speaker, I apologize to the House for introducing a bill at this late stage, but I move that leave be given to introduce a bill intituled, "An Act to amend The Municipal Act," and that it be now read the first time.

Motion agreed to; first reading of the bill.

HON. MR. FROST: Mr. Speaker, the purpose of this bill is to deal with recommendation No. 2 of the final report of the select committee on air pollution and smoke control. It deals with the matter of removing the exemptions from The Municipal Act which are embodied in section 399 of that Act. This permits the Honourable the Lieutenant-Governor in Council to remove the exemptions at such times as appears proper. There are very great difficulties in this matter which I will explain on second reading.

MR. H. M. ALLEN (Middlesex South): Mr. Speaker, before the orders of the day I take great pleasure in wishing the hon. member for Lambton East

(Mr. Janes) very many happy returns of the day. Today is his birthday and we all agree he is a grand fellow and wish him every success and many more years.

THIRD READINGS

The following bills were given third reading, upon motions.

Bill No. 41, An Act respecting Gordon William Innes, M.P.P.

Bill No. 69, The Highway Improvement Act, 1957.

Bill No. 80, An Act to amend The Power Commission Act.

Bill No. 81, An Act to amend The St. Lawrence Development Act, 1952 (No. 2).

Bill No. 86, An Act to amend The Mining Act.

Bill No. 89, An Act to amend The Homes for the Aged Act, 1955.

Bill No. 95, An Act to amend The Law Society Act.

Bill No. 96, An Act to amend The Summary Convictions Act.

Bill No. 98, An Act to amend The Gasoline Tax Act.

Bill No. 101, An Act to amend The Municipal Act.

Bill No. 102, An Act to amend The Municipality of Metropolitan Toronto Act, 1953.

Bill No. 111, The Corporations Tax Act, 1957.

Bill No. 113, An Act to authorize an Income Tax Rental Agreement.

Bill No. 114, An Act to amend The Logging Tax Act.

Bill No. 115, An Act to amend The Motor Vehicle Fuel Tax Act, 1956.

Bill No. 119, An Act to amend The Mining Tax Act.

Bill No. 122, An Act to amend The Administration of Justice Expenses Act.

Bill No. 123, An Act to amend The Coroners Act.

Bill No. 124, An Act to amend The Crown Witnesses Act.

Bill No. 125, An Act to amend The Crown Attorneys Act.

Bill No. 134, An Act to amend The Municipal Subsidies Adjustment Act, 1953.

Bill No. 143, An Act to Validate Certain Agreements Entered into by The Hydro-Electric Power Commission of Ontario with Certain Quebec Power Companies with Respect to Frequency Standardization.

Bill No. 145, An Act to amend The Mining Act.

Bill No. 148, An Act to amend The Public Vehicles Act.

Bill No. 149, An Act to amend The Public Commercial Vehicles Act.

Bill No. 150, An Act to amend The Housing Development Act.

Bill No. 151, An Act to amend The Child Welfare Act, 1954.

Bill No. 152, An Act to amend The Change of Name Act.

Bill No. 153, An Act to amend The Surrogate Courts Act.

Bill No. 159, An Act to amend The Financial Administration Act, 1954.

Bill No. 162, An Act to amend The Statute Labour Act.

Bill No. 163, An Act to amend The Legislative Assembly Act.

On Bill No. 25, An Act respecting the township of Scarborough.

HON. MR. FROST: Mr. Speaker, in relation to this bill, I should like to say a brief word.

I must admit that I was disturbed last evening by the aspersions which the hon. member for York South (Mr. MacDonald) not only cast on certain hon. members of this assembly, but cast on all hon. members here, if his intentions were interpreted correctly.

I value my integrity, as all hon. members do, very highly. I have been in this House now for 20 years; some hon. members of this House have been more years than that, and they value their honour and integrity very highly. I try to regard my duties to the people

as a trust and an obligation as, I know do the other hon. members.

I want to say that I am not a rubber stamp, and neither are the hon. members of this House. We are here to use our best judgment. We are divided by political and other views, but we are not here as rubber stamps in any sense of the word for any interest, or any combination, or for any government.

I want to say this at this time to the hon. member for York South, that I have found, over many years in public life, that men and women in public life, regardless of what may be their political affiliations, are almost invariably people of honour, conscience, and high integrity. I have found that in my experience.

I do not know Reeve Campbell of Scarborough township. However, I do know the hon. Leader of the Opposition (Mr. Oliver) and I know him as a gentleman; and I would say when the hon. Leader of the Opposition gives a statement of character of a man such as Reeve Campbell, then it goes a very long way with me; and I may say this, that Reeve Campbell has been elected in that township — he was the reeve who was elected by the good people of Scarborough in the municipal election last December — and Reeve Campbell is the elected representative of the people.

If there is dishonesty, which is imputed to be in this bill, then the reeve of the township must be dishonest. I do not think the reeve of the township is anything of the sort. I think he is an honourable man, trying to do a decent job.

I do not know Mr. Brown — who was mentioned in the House last night. He is the chairman of the public utilities commission of the township of Scarborough. However, I understand Mr. Brown has been in his office for many years. He is an elected official.

I would say, too, that I was impressed by what the hon. chairman of the committee (Mr. Maloney) said. He saw the witness, and he interviewed

him, in the words of the law, and he appraised him as being a citizen of high calibre, and I am prepared to accept that. If these charges of dishonesty are correct, then Mr. Brown must be a dishonest man. I disclaim that. I do not believe that.

I took certain steps myself in this matter, and I took this unusual course of presenting them here now because of what was said last night.

I am not voting favourably on this bill without having given the bill consideration. I am taking full responsibility for myself. I am doing it after having looked at the bill and having made some investigation. These are the facts:

This is a private bill sponsored by the council of the township of Scarborough and introduced by the hon. member for that riding (Mr. Sutton). The bill has had all of the usual notices and has met the requirements of the rules of this House. The bill, in the ordinary course, went to the private bills committee after due notice and was thoroughly discussed there.

On its coming up for discussion in the committee of the whole House, the hon. member for York South raised certain objections to the bill, whereupon I moved that the private bills committee be reconstituted, and that the bill be referred back to the committee for further consideration. That was approved of, and done by this House.

The private bills committee again considered the bill and the same was returned and reported to this House without amendment. The matter then came up in the committee of the whole House last evening, and after very full and thorough discussion, all the sections of the bill were returned and reported and passed without amendments.

This bill has become the subject of controversy arising out of controversies and matters which exist in the township of Scarborough. Therefore, after I went home last night, at quite a late hour, I proceeded again to examine the bill.

After hearing the discussion of the bill last night, and having read the same

again, my conclusions were in the House last night that the bill in no way approved of any particular work or of any particular claim, nor did it take away the rights of the taxpayer or the taxpayers of the township of Scarborough to object to the payment for any work or works in full or in part as enumerated in the bill.

In other words, the responsibility for approving of any claim or claims is wholly the responsibility of the council, because they have to approve by by-law of these payments before they are made, therefore the matter has to come up in council again.

This morning I prepared 3 questions which I shall read. I submitted these 3 questions firstly to the chairman of the metropolitan council, Mr. Gardiner, which council is of course interested in debenture financing; secondly I submitted these 3 questions to the Deputy Minister of Municipal Affairs, Mr. Grant Crawford; and thirdly I submitted the questions to one whose advice I value very highly, the chairman of the private bills committee, the hon. member for Renfrew South. The answers of each of these gentlemen to each of these questions is in the affirmative.

The questions I asked were as follows; as a matter of fact two of the gentlemen wrote their answers "Yes" in each case to the questions.

Concerning Bill 25, an Act respecting the township of Scarborough, I have the following questions to ask:

Question 1: Am I correct in assuming that the general effect of this bill is to permit the council of the corporation of the township of Scarborough to use the debenture method of financing in relation to the whole or any part of the sum of \$397,829.99 in its discretion for the work specified in schedules B, C, and D in the geographical location mentioned in the last schedule?

The answer to that question was unanimously "Yes", which conforms

with the opinion I expressed here last night.

Question 2: Am I correct in assuming that the Legislature is in no way passing upon any claims or confirming any accounts, or authorizing any expenditures, but that the effect of this legislation is to enable the township of Scarborough to debenture any payment that the township elects to debenture for the works said to have been performed—

I do not know whether they are performed or not.

— in the geographical location mentioned in the said Act?

The answer of all 3 gentlemen was in the affirmative, which corresponds with my own understanding of the Act.

This final question—in some ways perhaps it is the most important question—is as follows:

Question 3: Am I correct in assuming that it is entirely the responsibility of the council of the township of Scarborough to determine upon the persons or corporations to whom these same payments, if any, are to be made, and the accounts, if any, which are to be paid, and that if a ratepayer or ratepayers have objection to any payment, that their representations should be made to the said council which is fully empowered to deal with such payments and to confirm or reject any claims which may be presented to it?

The answer was unanimously "Yes" to that question, which conforms entirely with my own reading of the Act.

It is perfectly plain that if there are objections of taxpayers in the township of Scarborough to any of the work specified in schedules B, C, and D of the bill, these taxpayers are perfectly entitled to register their objections with the council of the township of Scarborough, whose responsibility it is to accept, amend or reject any of the claims in whole or in part.

Let hon. members please remember that the township of Scarborough must pass the necessary by-laws to make the necessary proceeding in council in order to make payments under this Act. The council is in no way bound to pay in whole or in part these claims.

That was the point made by the hon. member for Renfrew South, the chairman of the committee, last night. This bill in no way prejudices the right and responsibility of the council of the township of Scarborough to deal with any of the demands in any of the schedules in any way, and it is completely unfettered.

The Legislature is not passing on the validity of any claim or claims, nor is it altering the responsibility of the council to deal with this thing.

I think the position is as follows:

The council has come to us, asking for authority which had very often been granted in this Legislature, and which I think is granted by this Legislature in two or three other bills which have been presented and passed this year. That council was elected at the beginning of last December by the people of Scarborough, and is entitled to do its job and we are interfering with it in no way whatsoever. For those reasons I will vote for the bill.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I do not intend to discuss the points raised by the hon. Prime Minister, but I do intend to give voice to another angle of this matter which I feel is of equal, if not greater, importance than that to which the hon. Prime Minister addressed himself.

Last night the hon. member for York South in a free-swinging, wide-range attack, did something which I have never known to be done in my experience in the House. That was to charge hon. members of the Legislature itself, by strong inference, and to draw in the name of the Parliamentary assistant at Ottawa who represents federally one of the Toronto ridings. The hon. mem-

ber sought to blacken, and in his own mind I imagine succeeded in blackening, the character of these persons and in establishing, in his own mind at any rate, that they were in a sense and after a manner dishonest persons.

I want to say to this House whenever I have what I believe to be substantial proof that any hon. member of this government has been dishonest, I will bring such matters to the floor of the Legislature and resolutely and with persistence pursue that matter to its rightful conclusion. That is my obligation as an hon. member of this Legislature and as a leader of a party, and of the opposition in this House.

But I want to say here and now that as long as I am an hon. member of this Legislature, that I will not stoop to saying that hon. members are dishonest without actually bringing proof. We all know the rules of this House. They are to protect the individual in the House. Charges can be made here for which we cannot be held responsible when we are outside the House. I think in this matter the House should establish once and for all whether the hon. member's charges were true or not. If they were in the form of charges — and how else could they be construed — then he is bound by the rules of decency and honesty to prove the accusations before this House, or else resign from membership in the House.

Never in 30 years' experience have I known this to happen before. The hon. member for York South mentioned the hon. member for York East and a Parliamentary assistant in the federal House and said, in effect, these are dishonest men. Unless he has proof that they are dishonest men, he should never have mentioned it. If he has proof, let him come forward or else resign his seat as an hon. member of this Legislature.

MR. D. C. MacDONALD (York South): Mr. Speaker, on no occasion in my remarks last night did I suggest that any of these people were dishonest.

What I stated was that the claims which have been advanced by these companies have neither legal nor moral justification—

MR. OLIVER: The hon. member said they stood to gain. How else can one interpret that?

MR. MacDONALD: I will come to that. I am talking about the companies from which these claims are being advanced. I said they had no legal basis because they had not been authorized by the municipal board. They have no moral basis because they themselves elected to destroy that legal claim by proceeding without the authorization of the municipal board.

A further point, which this House refuses to accept, but which I assert once again, is that in the normal course of events they would have passed on those charges on the land to the builders and home owners who now occupy these properties. Therefore they have already been paid and the moral claim is destroyed.

I submit there is all the difference in the world between questioning moral claims which have not been advanced after two or three years to seek payment; there is all the difference between questioning that and saying that the people themselves are dishonest, all the difference in the world.

MR. OLIVER: Then why did the hon. member link their names with it?

MR. MacDONALD: I am not going to review any further the questionable nature of the claims, but I would just like to add this further point.

This is the thing that rather surprises me about the hon. Prime Minister's statement this afternoon:

If this kind of procedure were to go on, we are going to undermine both the position and the power of the municipal board, and if that is going to be done, then we have to re-examine the whole function of the municipal board and its

watch-dog power of supervision over financing.

This is not in the nature of other bills that we have had before the House to legalize inadvertent failures to live up to the regulations. I repeat, this is a calculated breach of regulations over a period of 3 or 4 years.

The third point, Mr. Speaker, that I want to make is this—and the hon. Prime Minister has ignored this completely: it seems to me there is an alarming decline in public morality when bills can be brought into this House—

AN HON. MEMBER: Just since the hon. member came here.

MR. MacDONALD: —when bills can be brought into this House legalizing the payment of moneys to people, when people who are sponsoring and who are passing judgment, both in the committee and at the House stage here on those bills, are themselves going to be the benefactors of them.

HON. MR. FROST: There is nothing in this bill legalizing anything, nothing whatever.

MR. MacDONALD: Mr. Speaker, I recognize the legal point which the hon. Prime Minister has brought up.

HON. MR. FROST: There is no legal point at all.

MR. MacDONALD: The fact is, if we did not pass this bill, the municipal council in Scarborough could not act at all. They would have no power to act.

HON. MR. FROST: Those persons who have claims against the township of Scarborough can sue the township of Scarborough, and the amounts would all be payable within one year—

MR. MacDONALD: They have no right to sue the township because they had no authorization from the municipal board. And the people themselves who

are heading these things and who are delaying the claims share in the decision to circumvent the municipal board.

My final point, Mr. Speaker, is this: just as the legalizing of these payments by the passing of this bill is going to open the possibility of similar claims, and in the words of irate citizens of Scarborough "it is going to open the flood gates for still further claims in Scarborough," I draw the attention of the hon. members of this House—and it is something we can never forget—that there are comparable situations in many other municipalities.

By this House passing a bill which legalizes action here, it opens up the possibility of similar action elsewhere, with the result there are going to be unjust payments in other municipalities, some of which are now being considered, and I am not in a position to discuss them in the House at the moment.

HON. MR. FROST: I would say to the hon. member that what this bill does is to legalize the township of Scarborough debenturing certain payments which are entirely within their discretion to make. If they do not make the payments, they do not debenture anything, but if they do make payments, they are then entitled to debenture the payments.

We are not passing upon any claim to any individual or any person, but we are merely allowing them, if they see fit in their own discretion and observing all of the rules that they have, to make payments involved in certain geographic sites, and it is up to them and they have to pass the bills. All this does is to say that if this sum of money is paid, or any portion of it, then it can be debentured in the way this Act prescribes. That is all there is to it.

MR. MacDONALD: I do not intend to pursue this much further, other than to make this comment. If what the hon. Prime Minister says is correct, then in the future any municipality can ignore the normal supervisory powers of the municipal board—it can go ahead and

advance its programme and make these payments and the municipal board is absolutely outside the picture.

AN HON. MEMBER: That is what the hon. member thinks.

MR. MacDONALD: Well, what is there to stop them? They did not go to the municipal board. They did not get approval. We are in effect legalizing them to proceed to make the approval on a debenture basis.

AN HON. MEMBER: It has been done for years.

MR. MacDONALD: It has not been done for years.

AN HON. MEMBER: It has. It has been done before.

MR. MacDONALD: Mr. Speaker, I do not plan to repeat this again more than once, but there is all the difference in the wide world between legalizing through a private bill an inadvertent breach of the rules—such as was the case in the Fort Frances bill, and such as was the case in the bill to deal with something in a township down in Wel-land—and this kind of situation, which is a calculated breach of the rules over periods of 3 or 4 years and involving sums of \$400,000—

HON. W. K. WARRENDER (Minister of Municipal Affairs): Mr. Speaker, may I ask the hon. member for York South a question?

MR. MacDONALD: Yes.

HON. MR. WARRENDER: Do I understand the hon. member to say that what he said last night did not cast reflection on any hon. member of this House?

MR. MacDONALD: What I said last night was this —

AN HON. MEMBER: Answer the question.

HON. MR. WARRENDER: Will the hon. member please answer the question?

MR. MacDONALD: Yes, I will answer the question.

HON. MR. WARRENDER: What is the question?

MR. MacDONALD: Will the hon. Minister sit down so I can answer his question?

AN HON. MEMBER: The hon. Minister just asked for yes or no.

MR. MacDONALD: What I said last night is that in the tradition of British Parliamentary government, individuals who are personally interested in companies that are going to receive payments, do not normally participate in the voting on such bills. As a matter of fact, we have an interesting case of it in this very procedure here out in York township.

AN HON. MEMBER: Answer the question.

MR. MacDONALD: Just a moment. The hon. Minister asked me a question. I have said the tradition is that individuals who are involved with companies who are personally interested in these payments normally do not participate in the sponsoring, in the passing, in the voting, either in the committee or the legislative level. As a matter of fact, there is a law—which involves a bill dealing with the hon. member here, the Innes bill—which precludes this kind of proposition.

AN HON. MEMBER: Answer the question.

HON. MR. WARRENDER: The hon. member quite obviously did not want to answer my question as I phrased it. So I will put another one to him. Will he repeat the same words

he used last night in reference to this matter outside the House? That is what I want to know.

MR. MacDONALD: Which words?

HON. MR. WARRENDER: Will he repeat the same speech he made last night outside the House? Will the hon. member repeat that speech?

MR. MacDONALD: It depends upon what circumstances and in what connection. Maybe I will go arm in arm with the hon. Provincial Secretary (Mr. Dunbar) when he repeats some of the things he said in this House.

HON. MR. DUNBAR: The hon. member should not worry about the hon. Provincial Secretary.

MR. MacDONALD: Mr. Speaker, I rest my case upon the evidence which I submitted last night, and which I looked into very carefully.

AN HON. MEMBER: Oh, now!

MR. SPEAKER: Order.

MR. G. LAVERGNE (Russell): Mr. Speaker, I would like to say a word on this because I voted for this bill and I was in at both meetings. I have some knowledge, Mr. Speaker, of municipal matters, that which seems to be lacking very much in the hon. member for York South.

Just to allay his fears and put things straight, I would like to say in a matter such as this, that where a municipality makes application for debentures for local improvements such as in this case, the people affected — that is, the property owners — have to be shown that they are going to be charged with local improvements. This has been done, and the people owning the land have had the opportunity, and I voted definitely in favour of this bill, and that is the reason, after hearing all the facts placed before you, Mr. Speaker.

MR. A. GROSSMAN (St. Andrew): Mr. Speaker, I would like to ask the hon. member for York South a question. He has made quite a bit of this, and the term he employed, in referring to the difference between this bill and other bills, is that in his opinion other bills were meant to correct inadvertent errors, but that this bill was meant to correct a calculated breach of the regulations, in his own words.

MR. MacDONALD: Right.

MR. GROSSMAN: What I cannot fathom is why this would have been calculated. Is there anything in the arrangement between the municipality and those subdividers which the municipal board, in the normal course of events, had the request been made in time, would not have approved? Would the hon. member please explain to me why he feels this would have been calculated and why the municipal board would not, in the normal course of events, have approved of this?

MR. MacDONALD: Mr. Speaker, I do not know how much further this should be pursued, but the question is not whether or not the municipal board would have approved it. The question is that the municipal board never had the opportunity to approve it; they did not have an opportunity, because, as the municipal records indicate, there were verbal agreements that they would not go to the municipal board, but that eventually they would be paid.

Why they did not go to the municipal board is a question I have spoken to on one or two occasions. They did not go to the municipal board because they were money in pocket to an equivalent amount or close to it by being able to proceed immediately in a boom market, in a highly competitive market, and avoid the necessary 8, 10 or 12 months that would have been required, were they to process it through the municipal board.

MR. GROSSMAN: Do I understand from the hon. member his line of reason-

ing is as follows: these people would have been entitled to payment, that the municipal board would probably have approved of it, but merely because they wanted to get on with the job, they were prepared to go ahead on what he considers an informal arrangement between themselves and the municipality, and therefore, that was calculated. Why would they not, in any case, go to the municipal board if the hon. member will agree that the municipal board probably would have approved of it in the long run anyway?

MR. MacDONALD: The fact of the matter is they did not.

MR. GROSSMAN: That is hardly calculated. That is ridiculous.

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, may I draw your attention to the rules of the House on third reading? It is quite apparent that last night the hon. member for York South made a direct appeal to the hon. Prime Minister. This afternoon the hon. Prime Minister gave his reasons for rejecting that appeal. But now we have got this into repeat debate, almost *a la* last night on third reading, which is entirely, in my opinion, out of order.

MR. SPEAKER: The ruling of the House, as far as third reading is concerned, is that the debate is more restricted than on second reading, but there is debate, as long as it is confined to the contents of the bill, but not repetition.

I did not hear the debate last night, except over the loud-speaker in my office. However, I would say the hon. member for York South was skating pretty close to imputing improper motives to the hon. members of this House.

MR. MacDONALD: Mr. Speaker, may I ask the hon. Prime Minister a question? Is there no rule, either legal or moral, against an hon. member of

the House participating in the processing of legislation with regard to companies in which he is personally involved?

HON. MR. FROST: Who did? Mr. Speaker, may I point out that this legislation makes reference to no company, no corporation or any claim. If any claims are made, they have to be made in due course to the council of the municipality of Scarborough. This bill is a bill before this House enabling the township of Scarborough to debenture payments which it, in its wisdom, makes. No hon. member of this House is passing on any claim whatever. There is no claim that is being passed upon.

If there are legal claims, and it is unthinkable for me to believe that all these claims are illegal claims, but if there are legal claims and those claims are made to the township of Scarborough, the corporation is perfectly entitled to sue the township of Scarborough, in which case the amount would be paid out of the current rate.

Our purpose here is merely that of giving the township of Scarborough the privilege and opportunity of debenturing a certain sum of money, or any part of it, over a period of 15 years. That is the purpose; and it is related then, to specific geographical locations.

To whom, if anybody, the township of Scarborough makes payment is entirely a matter for the township of Scarborough, and that matter has to be determined. They have to pass the necessary by-laws and take the necessary action to do that; and the rate-payers are perfectly entitled to go and object to the township council about that.

May I point out to the hon. member for York South in connection with this calculated, cold-blooded method of dealing with these matters to which he has referred — this planned method — that there is only one way that such a method can work, and that is for the present council of the township of

Scarborough — the reeve and the councillors — to be dishonest men.

MR. MacDONALD: No; in all fairness, these bills have nothing to do with the present council.

MR. SPEAKER: Order.

HON. MR. FROST: It is the present council that has to pay them. It is the present council that has to pass on these bills.

MR. MacDONALD: But they have relation to heretofore.

HON. MR. FROST: But if, in their opinion, the bills are valid bills to be paid, then the township of Scarborough council must pass on them.

And I say if it is true that the present council of the township, if this is a carefully-calculated cold deal such as the hon. member mentions, then the present council must be part and parcel of it, otherwise it would not work.

MR. MacDONALD: Mr. Speaker, may I —

MR. SPEAKER: We have already had several speeches. We have already had two or three from the hon. member for York South, and two or three from the hon. Prime Minister, and we cannot permit any further discussion.

THIRD READINGS

(Continued)

Bill No. 25, An Act respecting the township of Scarborough.

Bill No. 27, An Act respecting the city of Hamilton.

Bill No. 31, An Act respecting the city of Windsor.

HON. MR. FROST: Mr. Speaker, before the orders of the day, may I advise the House that on Monday I propose to go on with the estimates of

The Department of Highways, but the hon. members must be prepared to meet any order which is on the order paper.

THE BUDGET

MR. A. J. CHILD (Wentworth): Mr. Speaker, when the budget was brought down on February 21st, I think we were all pleased to learn officially that Stratford had been included in the budget, and that the Shakespearian Festival had received a grant of some \$150,000.

However, I do believe it would be equally important, if not more so, that the province might have assisted the training and development of athletes in the province. I believe sport is an integral part of every child's education. It not only builds bodies but molds character and develops leadership.

After each Olympic games, we hear much the same story, that other countries competing in the Olympics are gradually forging ahead of Canada in the conditioning and development of their athletes in pretty well every sport. We have, in Canada, some of the finest material in the world to develop, but at the present time I submit we are not developing that material to the extent we should.

Our amateur athletic programme — and I think all the provinces should participate in one — should be directed through the office of the athletic commissioner, and I would strongly recommend that the commissioner's staff be increased to include qualified physical directors and experienced coaches to assist in organizing programmes to train and develop more coaches so that they can go out and do a job.

There are, I am sure, any number of outstanding coaches in the province at the present time, in all sports, who would be very pleased to assist in the development of the young athletes.

With the children we have in the province, I certainly would suggest that our swimming, diving and track teams

should be at the top of every competition. By suggesting that, I am not suggesting that we have to be at the top of every competition, but I do think we should be able to make a creditable showing; but, unfortunately, this is not the case.

There is also another equally important reason why our athletic programme should be extended. If we could have every youngster interested and active in sports, there would not be any need for a brotherhood week or a fellowship week. I believe, quite honestly, we would have the true meaning of brotherhood and fellowship practiced 52 weeks in the year. Neither, I believe, would we have to have such a thing as anti-discrimination legislation. That, Mr. Speaker, I suggest, is not just an idle statement.

In 27 years of active competition and participation in sport, covering some 8 or 9 countries—not once, although we played against probably a dozen different nationalities, or extractions, and different religions—not once do I ever recall hearing a bigoted remark or a word of intolerance during that 27 years.

As a matter of fact, when travelling on a Sunday, one would quite often attend a church, other than that of one's own, with a team mate. One would probably bunk with a member of any of the different nationalities, and nobody would be judged on race or religion. The athlete would be judged on the standards of sportsmanship.

That, I submit, is another reason why we should have additional money advanced to the athletic commissioner at the present time. I have found that all of the principles of brotherhood and fellowship are practiced by those who compete in sports, and that equality is an accepted fact among sportsmen.

In view of the tremendous amount of interest which there is in sport and athletics in this country, I believe there should be some effort on the part of the government to institute an athletic programme for amateurs, and certainly a sum equal to the grant given to the

Shakespearian Festival should be considered and made available for such a programme.

Earlier in the session, I spoke on wrestling, and since it was discussed, I am pleased to say that there has been some improvement in the conduct of the referees and in the manner in which they officiate. I would like to congratulate the hon. Minister of Labour (Mr. Daley) for taking an active part in that particular matter. I noticed last Saturday, for the benefit of hon. members who may have missed it, or may have missed the television broadcast, that at least the referees are using something better in the way of attire, and are now wearing a neat looking uniform.

I would like to make a few remarks regarding a suggestion that was made to tax persons one per cent. of their salary if they live outside the city but work in the city. The suggestion recently came from a Hamilton alderman that provincial legislation should be amended to allow municipalities to collect such a tax and this, I believe, has now gone to committee stage in the council.

The townships at the present time are more or less dormitories for the cities who have all the industry, but have to share the cost of education and welfare—all the expensive services—and these are the people who actually keep the factories in operation. At the present time the townships pay extra for pupils using city schools. They also pay extra for city hospitals. Ninety per cent. of the people living in the suburbs spend large portions of their pay cheques in the city for clothing, entertainment and other essentials, and all of these businesses which benefit pay a business tax to the city which, of course, reduces the real estate tax to the home owners in the city.

If people in the suburbs did not shop in the city, more businesses would have to close up with a direct loss to the city business assessment, which, of course, would ultimately increase the tax to home owners. Administration costs of

sending out notices and collecting such a tax would, of course, be prohibitive.

If the municipalities are so hard up and pressed for funds, then by all means more aid should come from the federal government. I suggest that if Ontario were to receive a fair share of the tax money in Ottawa—the money which Ottawa gouges from the people of Ontario—the province would be in a position to contribute larger amounts to each municipality for education, roads, welfare and hospitals.

Apart from that, the whole idea of the one per cent. tax is, of course, discriminatory and has an odour of socialistic regimentation because it is actually trying to tell people where they should live, and I suggest that such an approach does not have any part in our democratic system.

Such a tax would mean—and I think this is interesting—that a man making \$100 a week would have to pay \$52 a year to the municipality in which he works.

If the municipalities are so concerned with the exodus of people from the city to the suburbs, as the alderman has suggested, then, of course, I submit it is their own fault. I know many people in my own riding have moved out to the townships simply because the city has not provided them with all the services that they should have—roads, sidewalks, and in some cases sewers and transportation, but on the other hand, they have continued to charge them city taxes.

Mr. Speaker, if such a bill ever comes before this Legislature I can predict it will get a much rougher ride than the Saltfleet annexation bill. The whole idea is archaic.

HON. MR. DUNBAR: Is that not settled yet?

MR. CHILD: Yes, it is, but I say that if anyone brings in a bill to tax people in townships it will get a much rougher ride than did the Saltfleet bill. It would be a retrograde step, and it has

no place in the economic development of the province. In fact, it has gone I understand to committee in the city of Hamilton and I suggest the whole idea is ludicrous.

I would like to make a few comments now on a matter that could, I am sure, affect practically every hon. member of this assembly. It has been brought to my attention by some of my constituents that if a person owns a television set, he stands a very good chance of being cheated the next time he calls for a television technician.

In the province of Ontario today, the television repair service is approximately a \$60 million to \$70 million annual business, and it is growing each year. The radio electronic technicians' association have estimated the public is being fleeced of \$6 million to \$8 million annually by unscrupulous service men.

I do not believe there is another racket in the province that extracts this amount of money from the home owners, and the amazing part about it is that, at the present time, we do not have effective legislation to deal with these unscrupulous racketeers.

The radio electronic technicians' association of Ontario is a voluntary association of reputable radio and television service technicians working to raise professional standards and to clamp down on the minority of groups of racketeers who last year helped themselves to a large slice of the multi-million dollar repair bill.

The vast majority of television men are, of course, scrupulously honest, but there is a minority group which has been doing a tremendous amount of damage.

The "repair gyps", who are a minority in the trade, give the whole profession a black eye and they cause considerable worry to the retail dealers and manufacturers, and to the honest competent majority of service technicians.

I repeat, they are a noisy minority who steal customers away from legiti-

mate operators with wild promises of low prices they do not intend to make good.

The radio electronic technicians' association has been formed for 11 years, and in their own small way they are trying to police the industry in order to protect the public. However, it is a big job and they have to give up their own time to do it. They are so sincere in their efforts that they will make a full investigation gratis, if they receive a complaint, and they have done so on many occasions.

Because of their investigations they have come up with some startling facts, but unfortunately because of lack of funds and legislation, they cannot prosecute in many cases where they have found not only unethical but dishonest practices or actual fraud. Although many of the cases involve only \$25 to \$30, sometimes the sum goes considerably higher.

Mr. Speaker, here are some of the ways dishonest service men are operating:

1. Taking sets to the shop which could easily have been repaired in the customer's home.
2. Charging for parts not installed.
3. Charging for new tubes when second-hand or re-processed tubes were used.
4. Doing unnecessary work or installing parts or tubes which are not required.

HON. C. DALEY (Minister of Labour): May I ask a question, Mr. Speaker?

MR. CHILD: Yes.

HON. MR. DALEY: How would it be possible to establish such a charge of which the hon. member has just spoken: that people are being charged for first-class tubes or new tubes, when used tubes are being used, or are being charged for parts which are not required and were not used in the set? How would we be able to establish that?

MR. CHILD: The radio electronic technicians' association have made investigations into this. There is another case which I intended to mention a little further on:

A gentleman by the name of Mr. John Dalrymple, in co-operation and in conjunction with members of the radio electronic technicians' association, rigged up a set. This set was inspected and checked over by a group of technicians, found to be perfect in every regard, and then it was short-circuited, or a resistor was burned out. The resistor costs something like 25 cents. Then they called in a number of service men in order to check on their reliability. I believed they called in 12 different service men.

MR. NIXON: Where did this happen?

HON. MR. DALEY: They actually called in 12 different repair men. Could we have the names of those repair men?

MR. CHILD: I have them all, and they will be made available. As a matter of fact, any statement I make here I would be very happy to substantiate. In fact, I intended to mention the radio electronic technicians' association would be very happy to supply proof to this House of any of these cases.

Hon. members of this Legislature were given a statement earlier in the session, I believe during the first week, naming two companies. I do not think anybody would stick his neck out and put it in writing, naming two companies, unless he had absolute proof.

The radio electronic technicians' association is a group which has invited people to sue them for libel, but nobody has done it, simply because they will not expose themselves. The association is not in a position at the present time to take people to court because it requires time and money, and the members must pay for it themselves.

I have a bill here. I will not mention the name of the company, but it is in Belleville. I have discussed this with the hon. member for Hastings West (Mr. Sandercock) who requested I should not mention it, but I would be very happy to give it to the hon. Minister of Labour or the hon. Attorney-General to look into.

Here is a case where a party was charged \$130.95 in a matter of 8 days. It was investigated by the radio electronic technicians' association. If everything was wrong which this company claimed to be wrong with it, then the bill should not have totalled more than \$52.25.

The bill is broken down into 7 items which I will name. I did not intend to go into the bill in its entirety. No. 1 is repair open contact. They charged \$28.20 for that particular item. The standard price anywhere in Ontario is \$16.

To repair tuner, clean and lubricate every switch contact and segments, they charged \$11. That \$11 is normally contained in the \$16 service charge which I mentioned as item No. 1. Item No. 5, repair one tube socket, \$1.50. That also is normally included in the first item of repair open contact. No. 6, check complete operations, set up picture and controls; they charged \$5.50 for that, and that is normally in the first charge which they said was \$28, but which is normally \$16.

Item No. 7, cross hatch generator set-up, \$2.50. Item No. 8, centre chassis in cabinet and clean, etc., \$5.50. Item No. 11, check all tubes and replacements, clean chassis and sockets; one complete set socket connections, \$7.50. All of those items normally cost \$10 with a legitimate service man. Actually they totalled \$78.70. Mr. Speaker, these are established figures which can be proven.

I have a statement here from Mr. William Flabin, president of the Belleville radio electronic technicians' association who was called in to repair this television set. At that time he heard

about the bill received by the customer from supplies. Again I am leaving out the name. He made an inspection of the set and said in his opinion nothing more was needed at the time than perhaps one or two tubes and a service call which would have cost from \$7 to \$12, for which the people were charged \$130.75.

At the very outside, the worst, if all of the things were wrong, it should not have cost more than \$52; so that they were actually defrauded. There is no other word for it. The association has all this information and they are quite willing to turn it over to the hon. Minister.

Here is another example:

THE RADIO ELECTRONIC
TECHNICIANS' ASSOCIATION OF
ONTARIO, INC.

SECRETARY-TREASURER
29 WAVELL AVENUE
HAMILTON, ONTARIO

DEAR SIR:

The following is a copy of a bill presented by Radio Service Supplies, Belleville, to a Mr. Harvey, Belleville, for repairs to a 1955 General Electric television receiver, Model C-21c15, that had approximately 8 months' use:

	1	2
1. Repair open contact	\$28.20	\$16.00
2. Repair tuner, clean and lubricate every switch contact and segment	11.00	—
3. Replace 1 resistor in tuner ..	3.50	1.00
4. Locate changed value resistors		
Replace 2 and change horizontal circuit	17.00	2.50
5. Repair 1 tube socket	1.50	—
6. Check complete operations. Set up picture and controls	5.50	—
7. Cross Hatch generator set up ..	2.50	—
8. Centre chassis in cabinet, clean, etc. Labour and service	5.50	—
9. 1 6BQ6 tube	3.70	3.70
10. 1 6V6 tube	1.80	1.80
1 6AV6 tube	1.80	1.80
1 1B3 tube	2.45	2.45
1 6CB6 tube	1.95	1.95
1 626 tube	2.30	2.30
1 6B27 tube	3.40	3.40
1 12AT7 tube	2.60	2.60
1 12AU7 tube	2.15	2.15
1 12AX7 tube	2.25	2.25
11. Test all tubes and replacements, clean chassis and sockets. One complete set socket connections	7.50	—
	<u>\$106.60</u>	<u>\$44.90</u>

On May 12, 1956, the same company 8 days later was called for additional service and the following bill was presented:

2-5U4 tubes
Remove picture tube and chassis. Clean front glass, mask and picture tube. Replace chassis and

picture tube. Locate burnt inside voltage isolation resistor. Install correct size and test voltage. Set up picture and controls	\$ 22.50	\$ 5.50
1-6J5 tube	1.85	1.85
	<u>\$ 24.35</u>	<u>\$ 7.35</u>

Total amount of repairs in 8 days \$130.95 \$52.25

To find out what a job like this would cost providing it was necessary, use second column. Items 2, 5, 6, 7, 8, 11 would normally be included in item No. 1, which includes bench charge, service call and delivery, cleaning and minor adjustments.

Yours truly,
(signed) Y. N. LEEKS

In my capacity as chairman of the unethical practices investigation committee for the radio electronic technicians' association (Hamilton district) I have found that our suspicions regarding two certain service companies are well founded.

These are my findings, after covering complaints by television set owners. These complaints, by the way, were investigated by the process of examining the television sets and comparing the customer's invoices to see if the parts itemized on these bills were actually installed. In most cases, 90 per cent. of the parts itemized were not installed. I am pleased to say that I have never received a complaint about a radio electronic technicians' association member. Most complaints are about the same service companies each time.

These are the reasons given in this letter. I will read one or two cases. He does not mention the customer's name, but refers to them as "A, B, C and D." Here again they will be happy to give to the hon. Minister the actual names of the people and the companies involved; in fact, I have the bill here of one of the companies.

Customer A was charged \$31 for a new deflection yoke (including labour). We found that the deflection yoke had not been replaced. A tube retailing at \$2.10 was the only replacement. This tube had a coded date indicating it was manufactured in 1952.

Customer B was given an estimate of \$31.50 for a new transformer by the same company. Being an old age pensioner, she did not authorize the repairs to be done. I was called in to give an estimate. I replaced a fuse worth 25 cents. I found no other faulty components. Mrs. B called this company because they were advertising service calls at a very low price.

There are other examples here. In the closing paragraph he says:

Enclosed, also, is an invoice for television repairs which needs no further explanation

since you will realize that such parts do not even exist in any television receiver. This set, by the way, is still the same as before it was repaired.

(signed) DON NAPPER
71 Gage Ave. South, Hamilton

I think that is obvious. The bill is here, including the name of the companies involved. I think that is all the proof we should need. By the way, this does not just occur in Hamilton but all across the province. This organization will substantiate exactly what I have said; as a matter of fact, these people I have been discussing are in some cases my own constituents who have been supplying me with the information. These charges which Mr. Dalrymple made were all confirmed. An article was published in one of the local magazines, I think it was *Liberty*, regarding this and there is any amount of evidence available.

However, Mr. Speaker, unless the technician becomes overly greedy or stupid and dishonest, repair men need never be tripped up because a clever operator can cheat without a person even knowing it.

It is almost impossible for an untrained customer to know what repairs his set needs, how they should be made, or what they should legitimately cost.

In Hamilton they use a device or gimmick of a \$1 service call to bait the customers. I believe all of the hon. members would agree that, with the present operating cost today, a firm could not send a truck and a service man to a home for \$1 and replace a tube that normally sells for \$3, and stay in business, making a profit of approximately 60 cents on the sale of the tube.

These operators have been doing a roaring trade in Hamilton, and the radio electronic technicians' association have ample proof of their dishonest activities.

Here is another letter written by Mr. G. F. Leeks, secretary of the radio electronic technicians' association, who is by the way, one of my constituents. All the hon. members had a copy of this

given to them during the early part of the session:

DEAR SIR:

We wish to inform you of the unscrupulous operation of several television outlets in the city of Hamilton.

Here again Mr. Leeks mentioned the companies, but I thought it might be wise to withhold the names because of any possible investigation which might be made into this.

They are doing a land office business of gyping the public wholesale. They are guilty of the following operations:

Bringing sets into their shop unnecessarily and charging exorbitant amounts for fictitious repairs when perhaps only a tube is needed, installing used tubes for new, charging for parts not used, etc.

If proof is needed we have it.

Unfortunately we are not in a position to prosecute because we have no legal power to do so.

As there is no better business bureau in the city of Hamilton, we have written to you, the chamber of commerce, in hopes that some action, however small, might be taken.

I do not think these people could possibly make such statements unless they had the proof necessary; in fact, they would be very foolish to do so.

In Toronto, for instance, last year on the same subject there were over 3,000 inquiries to the better business bureau of complaints concerning individuals and companies who repair television sets.

I think it is quite safe to say that the people who actually take the trouble to make a complaint would be in the minority group in comparison to those who have been involved in it. Some of those who do suspect they have been cheated would be reluctant to take redress through the courts.

As the hon. Minister knows, at the present time a draft bill has been drawn up by the association which is in the office of the Deputy Minister, which legislation, if passed, would give us an effective measure to deal with this type of racketeer. It is designed along the lines of The Professional Engineers' Act, and I believe has a great deal of

merit. I do not say it would be an easy matter to set it up, but I do believe that the amount of money and the number of people involved certainly merits some consideration.

The radio electronic technicians' association is suggesting that these people should be licenced so that if they are found guilty they can be prosecuted when there is sufficient evidence of unethical practice. Their licences could be taken away from them and they would be put out of business.

The bill suggests there should be a board set up to investigate the complaints, and I think it is only fair. In the interests of the public, plumbers, electricians, auto mechanics, real estate agents, and other trades are licenced. If we require licences for these other trades or professions, certainly the public should be assured of the same protection in the field of television repair.

I would like to say this: if proof is required for the widespread activities of this particular Act, it can certainly be made available through the radio electronic technicians' association, and I would suggest to the hon. Minister that he might look into it during the coming months, between the sessions, and if he finds there is merit in it, we might have some legislation in that regard.

I leave it to his good judgment. I know how efficiently he has administered the other Acts, and I think possibly he and his Deputy might discuss it, or he might discuss it with some people in the radio electronic technicians' association. If these charges can be proven, and I believe they can, then I think it would merit some consideration.

Mr. Speaker, I would like to make a few remarks concerning highways in my riding. At the present time, we have a section of highway No. 53 restricted to half-loads, which means that all the heavy trucks coming along the south part of the city are unable to use our provincial highway and are now detouring through the city.

For the past 18 months, I have been advocating that a new road should be built up on the mountain, paralleling No. 53 starting from where it would connect up to the Chedoke expressway in Ancaster right through to the Niagara peninsula.

There is a definite need for an extra highway in that locality, and it would mean that industry would be attracted along there, and the area would be available to industry which is now locating in the fruit belt.

Certainly, I do not think we can continue to build industry on good fruit land, particularly the riding of the hon. Minister of Labour, particularly when he is so interested in grapes.

All hon. members are concerned with diverting industry away from the rich lands of the Niagara peninsula to other areas which are not so arable, and by means of such a highway, which is badly needed, we would attract industry from the lower areas by the lake up to the mountain — areas like Barton, Glanford, Binbrook and Ancaster, which always receive some assistance by way of industrial assessment to offset the high educational costs. I sincerely trust the hon. Minister of Highways (Mr. Allan) would give some serious consideration to this in his next budget.

In conclusion, I would like to say that, to me this has been a very eventful and very unusual session. It has been eventful because of all the progressive legislation which has been passed—not that we do not have progressive legislation every session—but this one stands out inasmuch as we have at least put through the hospital insurance bill, particularly when one considers that the Liberals have been kicking it around for some 27 years, and we have taken the bull by the horns, and now we are going to get it.

I say this session has been "unusual", because to my amazement I found the CCF group are more interested in castigating the Liberal opposition at every opportunity, rather than offering some constructive criticism, which

they should be doing as hon. members of the opposition, and in so doing, I suggest they have weakened the opposition in the province of Ontario.

The hon. member for York South (Mr. MacDonald) appears to be more interested in trying to belittle the Liberals in the hope that his group might form the opposition in the next election.

I would suggest that the Liberal group have shirked their responsibility to the people of this province, who elected them, by continually approving the stand the federal government has taken in robbing the people of the province of Ontario of their fair share of the tax dollar. They should be actually fighting with all of us in trying to get more money from Ottawa, but instead, they condone every move which Ottawa makes. They have virtually become puppets for the federal government and a group of "Charlie McCarthy's", rather than true representatives of the people of Ontario.

MR. OLIVER: If anybody else except the hon. member said that, I would be angry.

MR. CHILD: So long as the hon. Leader of the Opposition knows it is true, I think he will appreciate it. I think possibly it is time the people of the province of Ontario realized the same thing.

MR. R. HERBERT (Timiskaming): Mr. Speaker, firstly, I would like to say how much I do appreciate the efficient manner in which you and the Deputy Speaker have carried out your duties.

I am thankful for the opportunity of saying a few words about the Ontario northland transportation commission of which I have the honour of being vice-chairman.

The record of the Ontario Northland Railway during 1956 was one of progress in all phases of operation.

Since the change-over from steam to diesel-electric motive power, this publicly owned railroad has become one of the most efficient and up-to-date systems on the continent. It is thanks to this efficiency that the greatly increased costs of operation in recent years were kept within bounds by the savings so affected.

I know the hon. members will be pleased to learn that, in 1956, traffic reached a new high level which we hope will be surpassed in the future with the development of new mines and an expanding agriculture.

The coming of natural gas to northern Ontario may well open up many new sources of revenue through the establishment of small industries where fuel costs up to now have prevented their existence. I have in mind particularly those industries which could utilize some of the so-called "weed species" of our forest trees, and possibly industries which could handle the smelting of our base metal ores.

Much of the freight traffic carried on the Ontario Northland Railway, north of Cochrane, was destined to the mid-Canada radar line, and although such tonnages can be considered as abnormal traffic, at a lower level they should continue for many years to supply the northern radar stations with their operating supplies.

The railway has now received the full complement of diesel locomotives, 48 of all types, and as a result all coal equipment and water tanks will be dismantled. Radio-telephones have been installed in all locomotives, and this modern means of communication will be put in the all-steel cabooses before the end of the year. We now manufacture these cabooses in our own shops at North Bay.

The diversity of equipment employed by the railway has often brought laudatory comments from many sources. To this equipment the Ontario Northland Railway has now added a rail car which can also operate on the highway. This car, which can serve as an ambulance, is in service at the Island Falls sub-

division which is located north of Cochrane.

There are several isolated communities along the track where such services were not available in the past, and this new car will render a great service in the event of emergencies.

As further evidence of progress on the main line, the Ontario Northland Railway expects shortly to complete the block signal system from Swastika to North Bay, and a start will then be made to extend this northward. When the whole line is completed, we will be in a position to move our trains faster, thus improving service, and at the same time so control traffic that accidents will be brought to a very minimum.

I would now like to say something about one of our best revenue-producing divisions operating under the commission. I refer to communications which control the long distance telephone system in most of northeastern Ontario.

Our service is constantly being improved through modernization of equipment. For example, we are setting up a new toll centre at New Liskeard which we expect to complete by September.

Further to this, we shall shortly have a total of 94 direct voice channels between our exchanges and distant points.

We can now complete long distance calls between Timmins, Cochrane and Noranda to distant parts of Canada and the United States through direct dialing by our operators. This direct dialing will include New Liskeard in the very near future.

This department is taking full advantage of modern developments in wire communications. As an example, a group of 8 pairs of wires by the end of this year will be carrying 126 telephone conversations and 36 telegraph messages simultaneously.

The use of teletype is also being extended, and 31 organizations are taking this type of service over 9,050 miles of teletype circuits. The sound portion of CBC television programmes will be transmitted to the new television station

at Timmins over these facilities on April 10th of this year. The system has 24,023 miles of long distance telephone circuits and 10,130 miles of automatic teleprinter circuits.

A brief statement of the financial relationships between the commission and the government may be of interest.

The original plan provided for the earnings of the railway to be turned over to the hon. Provincial Treasurer, with the government supplying all funds for capital expenditures. This policy was changed in 1924, and since that time the commission has done its own financing by bonds issued in its own name and guaranteed by the province.

With the approval of the government all earnings since 1936 have been retained by the commission and used to finance extensions and improvements. The ultimate amount invested by the province was \$30,207,934.

Interest on bonds issued by the commission is paid out of current earnings. During 1956, bonds to the amount of \$1,208,000 were retired.

From its inception in 1902 to the present time, the railway has always earned a surplus ranging all the way from \$30,000 in the depths of the depression in 1933 to over \$2 million a year in 1956.

From 1906 to 1935, the commission paid \$15,283,892.41 to the hon. Provincial Treasurer from surplus earnings. A subsidy of \$2,134,080 was paid in 1912 from the Dominion government with respect to the railway. Thus the total directly returned to the hon. Provincial Treasurer has been \$17,417,972.41.

I have available for the hon. members a memorandum of the facts and figures of the commission.

Last summer I had the privilege of visiting the Belcher Islands in James Bay, where intensive development is being carried out for iron. I was very much impressed with the possibilities of traffic of this mineral through our lines. Now, with the increasing demand for iron ore and because of abundant capital

to do the exploration, there is indeed a strong possibility that some decision will soon be made regarding production.

In addition, I am sure most of the hon. members have heard about the recent nickel finds in Ungava. Many big companies are interested in these occurrences, and an all-out effort will be made this summer to find out the importance of the findings. There again, it is possible to imagine that success in these ventures could well mean considerable traffic for our railway.

In addition, other mining developments are sure to be carried out on both sides of the bay. I am sure that the time will come when it will be necessary for us to extend our line northward to deep water.

In conclusion, Mr. Speaker, I would like to pay proper tribute to the loyal and efficient management, the officers and staffs, by whose efforts the satisfactory results of the past year have been attained. Frank and helpful contacts have been maintained at all levels, and the spirit of the personnel is excellent.

Our commission also maintains close and friendly relations with all communities in the territory served, by holding meetings along the line at which representative groups are given an opportunity to present and discuss their problems at first hand.

The commission is concerned with a further development of industries along our line, and places at the disposal of interested parties all facilities at our command to assist them in their deliberations.

I would like to say a few words about the north country in general and in particular about the district of Timiskaming which I have the honour to represent.

The economy of our area follows the same general trend of the whole of the province. We have our ups and downs, but as always something comes up that takes the place of something else. Our gold mining industry is experiencing great difficulties due to the pegged price set for this precious metal.

Now we have high hopes for many developments in the march for iron ore, and some interesting results are being obtained in many parts of the north. It is my opinion that in our James Bay area, near our railroad, many new finds will be made. With the advent of new scientific devices, this mineral may be detected under the overburden that now exists.

Close to home, this mineral is being explored around Temagami, and the results to date appear very encouraging. If these finds should become productive, it will materially affect the economy of my district. I do feel that our pre-Cambrian rocks hold many more jewels in the vast areas of this formation stretching from Sudbury to our north-eastern regions. So much for mining.

Now, I would like to turn to our "little clay belt" and our agricultural area. Some difficulties this past year have been experienced, and our government has assisted in the purchase of seed grain for our farmers. This has been most appreciated, and I also wish to thank the hon. Minister of Agriculture (Mr. Goodfellow) for the experiments to be conducted in the raising of beef cattle in our northern areas. I do say again that the day will come when, more and more, the north will be the breadbasket of this province.

I do hope that consideration will be given to the introduction of more farmers into our areas. I feel that some plan might be worked out that farmers who are immigrating to Canada, in the search of freedom and new homes, could be placed on our lands, and some assistance be given them to get started by the various governments.

I also believe that more funds should be allotted to draining lands that can be productive. The hon. Minister of Public Works (Mr. Griesinger) has given us his full support on many occasions, but we do have many more areas which could be utilized.

The hon. Minister of Highways (Mr. Allan) is to be congratulated for his personal interest in our roads. We were

pleased to have his visit last summer. The assistance given our townships has been of great help.

I do feel, however, that more attention should be shown to the building of the proposed by-pass around our tri-town area. This road is now the only bottleneck in that district. I feel that this by-pass is essential at this time, and I am pleased that the hon. Minister has promised to get more information on this project at the earliest moment.

I would like to say that we in the north appreciate very much visits from the hon. Ministers of the Crown, and I would like at this time to extend an invitation to all hon. members of the

Legislature to visit the vast area north of North Bay, and they will find that the people, whether they be working on the land, in the forest, or in the mines, have a spirit of friendliness and a hospitality which is well known.

MR. T. PRYDE (Huron): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

Hon. D. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 4.00 of the clock p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, April 1, 1957

Afternoon Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Monday, April 1, 1957

Final report, standing committee on legal bills, Mr. Myers	1837
Final report, standing committee on municipal law, Mr. Cass	1837
Final report, standing committee on agriculture, Mr. Root	1837
Motion to refer allegations by Mr. MacDonald to standing committee on privileges and elections, Mr. Beckett, agreed to	1837
Presenting reports, Mr. Dunbar	1840
Estimates, Department of Highways, Mr. Allan	1840
Marriage Act, bill to amend, Mr. Frost, second reading	1869
Municipal Act, bill to amend, Mr. Frost, second reading	1869
Resolutions re The Ontario Water Resources Commission Act, 1957, Mr. Porter, concurring in	1872
Resolution re An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund, Mr. Porter, concurring in	1872
Cemeteries Act, bill to amend, reported	1873
Charities Accounting Act, bill to amend, reported	1879
Municipal Unconditional Grants Act, 1953, bill to amend, reported	1879
Highway Traffic Act, bill to amend, reported	1880
Motion to substitute Mr. Yaremko for Mr. Fishleigh on committee on privileges and elections, Mr. Frost, agreed to	1884
Succession Duties Act, bill to amend, reported	1884
Sheriffs Act, bill to amend, reported	1885
Recess, 6.00 o'clock	1886

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

MONDAY, APRIL 1, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. R. M. MYERS: Mr. Speaker, I beg leave to present the fourth and final report of the standing committee on legal bills and move its adoption.

CLERK OF THE HOUSE: Mr. Myers presents the fourth and final report of the standing committee on legal bills as follows:

Your committee begs to report the following bill without amendment:

Bill No. 43, An Act to amend The Registry Act.

Your committee begs to report the following bills with certain amendments:

Bill No. 42, An Act to provide for the Certification of Plans for Sub-division in order to establish Title in Lands.

Bill No. 44, An Act to amend The Investigation of Titles Act.

Report adopted.

MR. F. M. CASS: Mr. Speaker, I beg leave to present the third and final report of the standing committee on municipal law and move its adoption.

CLERK OF THE HOUSE: Mr. Cass presents the third and final report of the standing committee on municipal law as follows:

Your committee begs to report the following bill with certain amendments:

Bill No. 144, An Act to amend The Assessment Act.

Report adopted.

MR. J. ROOT: I beg leave to present the second and final report of the standing committee on agriculture and move its adoption.

CLERK OF THE HOUSE: Mr. Root presents the second and final report of the standing committee on agriculture as follows:

Your committee begs to report the following bill with certain amendments:

Bill No. 160, The Milk Industry Act, 1957.

Report adopted.

MR. SPEAKER: Motions.

On motion by Mr. H. E. Beckett, seconded by Mr. R. E. Sutton:

That the allegations made against certain hon. members of this House by the hon. member for York South (Mr. MacDonald) during the discussion in committee of the whole house of Bill No. 25, An Act respecting the township of Scarborough, on Thursday last, March 28th, be referred to the standing committee on privileges and elections.

Motion agreed to.

MR. SPEAKER: Introduction of bills.

MR. F. M. CASS (Grenville-Dundas): Before the orders of the day, I would like to draw to the attention of the hon. members of the House an important event in my riding. The hon. members will find on their desks an invitation to the Centennial celebration of the village of Kemptville in Grenville county, at the crossroads of eastern Ontario, to be celebrated from June 30th to July 6th of this year.

Kemptville is well known to all hon. members as the home of our provincially-operated Kemptville agricultural school and as the home town of a former premier of this province, the late hon. Howard Ferguson. Incorporated in 1857 by a special Act of the Legislature of Upper Canada, Kemptville has grown and progressed throughout the century with the rest of Ontario and is now one of the most lovely and up-to-date municipalities of our province. It is the site of many small progressive industries, the location of several Ontario government activities, in addition to the Kemptville agricultural school, and is the home of almost 2,000 of the finest people in the land.

On behalf of the reeve and council and people of Kemptville, I do extend a most hearty invitation to the hon. members, their wives and friends, to visit Kemptville during the festivities this summer. They will be most welcome and I know they will have an enjoyable time.

MR. SPEAKER: Before the orders of the day, I would like to welcome the students of Hodgson public school and Forest Hill Village junior high school. These students are here to view the proceedings of the House and we extend a welcome to them.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I see some flowers on the desk of the hon. member for

Brant (Mr. Nixon). This day, the 1st of April, is his birthday. I notice that he never likes anything to be said about this great occasion and I do not know whether that is because, like the chief of the tribe he belongs to, our hair is becoming whitened with the snows of many winters.

In any event, it is a pleasure to extend many happy returns of the day to the hon. member for Brant, who is a distinguished member of this House, a fine gentleman, and a great citizen of Ontario.

MR. F. R. OLIVER (Leader of the Opposition): I, of course, want to join with the hon. Prime Minister in extending good wishes to the hon. member for Brant. I wanted to make some mention before the orders of the day, but the hon. member for Brant prevented me from doing so, which is an indication of the influence he has over me, even at this time. I am glad the hon. Prime Minister is not so completely under his influence that he was able to make an independent portrayal of the wishes of us all on this important occasion.

I will say no more except that all hon. members in the opposition are very proud of the hon. member for Brant and the work he has done and continues to do, not only for the Liberal party, but for the province of Ontario. It is really a great tribute to a man who has been in the House such a long period of years, to have come through those years with a name as high and as highly honoured as the hon. member for Brant.

MR. D. C. MacDONALD (York South): Mr. Speaker, I would like to add my few words in congratulating the hon. member for Brant. I think it was just last week he told us his Indian name, translated into English, was something about trees of level height. Amongst the roses on his desk, I see that one rose extends beyond the level of the others, and, I suppose, that is the rose which represents the hon. member for Brant this afternoon.

MR. H. NIXON (Brant): Mr. Speaker, I would like to take this opportunity to thank hon. members for the very kind wishes which they have extended to me privately before I entered this House this afternoon, and for the kind wishes from the hon. Prime Minister, the hon. Leader of the Opposition and the hon. member for York South; and the applause of all the hon. members. I do appreciate very greatly, Mr. Speaker, the many kind wishes. Being an April fool has compensations and one of them is that your birthday is never forgotten, and this year I have done very well. As a matter of fact, my colleagues gave me a little luncheon with a birthday cake just before we came into the House, and now these beautiful flowers.

I do appreciate, more than I can say, the kind words of so many splendid hon. gentlemen in this House, and I do wish to thank them again for their kind felicitations.

MR. MacDONALD: Mr. Speaker, before the orders of the day are called I rise on a question of privilege arising out of the debate in this House on Friday. I want to clarify 4 points and in light of an earlier motion that was made this afternoon. I assume my question of privilege is even more substantiated.

HON. MR. FROST: Mr. Speaker, may I speak to the House on that point of order. Where the honour of an hon. member or hon. members of the House is in question and has been referred to a committee of the House any debate on the subject matter, or a statement on the matter, is out of order. I point that out to the hon. member for York South, I do not know what he is about to say but I point out that that is the rule of this House.

MR. SPEAKER: May I say that matters have changed since the hon. member for York South spoke to me. I was not aware that the motion was coming forward and matters, as I say, have changed considerably since that

time. As a result of the motion the hon. member for York South will now be limited in his remarks to anything concerning himself—whether he feels that his honour has been questioned and that sort of thing. Any other remarks regarding the problem will have to go before the committee on privileges and elections.

MR. MacDONALD: Mr. Speaker, I recognize that the situation has changed and, therefore, this statement which I was going to read presumably is out of order at the present time. I would like to explain to you and to the House that I released this to the press as a public document before reading it here, since I had the assurance from you, Mr. Speaker, that I was going to have the opportunity of reading it. I therefore think that I can keep within the rules of the House in view of the earlier motion by restricting my remarks to two things.

The first one is that last Friday the hon. Minister of Municipal Affairs (Mr. Warrender) asked if I would be willing to repeat, outside, the statements which I have made here in reference to the Scarborough bill. At that time I replied to his question in the normally facetious manner in which such questions are treated in this House—one example of which we had earlier last week in the case of a comparable situation having to do with the hon. Provincial Secretary (Mr. Dunbar).

I would like to assure the House now that I am not only willing but it is my intention to repeat those statements outside the House. I have never at any time, knowingly, made statements in this House with the purpose of availing myself of its protective immunity.

The only other point I have in the light of your ruling, Mr. Speaker, that I can make is that the suggestion was made, I think by the hon. Leader of the Opposition, and inevitably then it became one of the overtones of all the news stories arising out of the debate on Friday, to the effect that I had not

provided evidence to substantiate the allegation of impropriety. All I want to say is, I had provided it in the House and if it comes before the committee I shall show that I had.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

25th Annual Report of The Department of Welfare for the fiscal year 1955-1956.

1st Annual Report of the Ontario water resources commission for the year ended December 31, 1956.

This completes the reports for the year.

HON. MR. FROST: Mr. Speaker, may I announce to the hon. members of the House, as I have already intimated to the hon. Leader of the Opposition and the hon. member for York South, that there will be a night session tonight.

MR. OLIVER: Could the hon. Prime Minister indicate the nature of the business for tonight?

HON. MR. FROST: Mr. Speaker, I would say that we are proceeding with the estimates this afternoon of The Department of Highways—how long these estimates will take I do not know. As I advised the House last week I think on Friday when I omitted to say there would be a night session, I said anything on the order paper. I propose to call if I can certain of the opposition motions—particularly Resolution No. 1, Resolution No. 4, Resolution No. 6, Resolution No. 7; also Bill No. 3, that is the second reading of The Farm Products Marketing Act.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF HIGHWAYS

MR. G. LAVERGNE (Russell): Mr. Chairman, while the hon. Minister is working his way down into the front benches may I take this opportunity of expressing my thanks on behalf of the people of Eastview for the fact that the hon. Minister has seen fit this year to put our municipality back on the map. For some unexplainable reason in 1956 the municipality of Eastview was omitted and I would like to express my thanks to the hon. Minister on behalf of our people on the fact that he has seen fit to see that the name has been returned to the map and we can virtually say that Eastview has been put back on the map.

On vote 601:

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, before you carry that particular vote may I make a few general remarks with respect to this particular department? Before I make these remarks, I think the hon. Minister will understand if I ask him directly when he anticipates that famous highway No. 401 will reach the Wellington-Waterloo county area.

HON. J. N. ALLAN (Minister of Highways): Mr. Chairman, I wish to assure the hon. member for Waterloo North that I appreciated the great kindness that was shown to me when I was in the county of Waterloo a couple of weeks ago when they presented me with a pair of cuff links. On one is "401" and on the other is my initials, and each time I wear those cuff links I think of the desirability of completing highway No. 401, and I assure the hon. member that it will be done with all possible speed.

MR. WINTERMEYER: Mr. Chairman, in general I would take this

opportunity, along with other hon. members who have spoken on The Department of Highways in general, of congratulating the hon. Minister for the over-all plan he has presented to this House to the extent that it is an analysis of the things that we require to consider in this House. I think it is an exemplary plan.

However, there are a few observations I would like to make and in particular with the fiscal underwriting of the plan that has been suggested. The first point I would draw to the attention of the House is the fact that at the present time I understand that our total departmental expenditures will be in the vicinity of \$250 million—\$254 million to be exact.

HON. MR. ALLAN: Mr. Chairman, if I could correct the hon. member on that: \$20 million was mentioned; \$20 million is placed in the highway construction account and then of course it is spent from the highway construction account, so really the amount is \$234 million.

MR. WINTERMEYER: Mr. Chairman, I am delighted with that because it demonstrates again the care we have to take to consider this famous or infamous highway reserve fund. This \$20 million I presume the hon. Minister is referring to; if it be \$230 million I suggest that a rough estimate of the revenue for the department is \$47 million from the motor vehicles branch and \$130 million from highway tax, gasoline tax or a total of about \$178 million. Obviously, right off the bat we are operating that department at a loss, a loss of — if the hon. Minister wishes to take the \$20 million — \$56 million.

Of course I know that some hon. members will make the explanation that the \$56 million will be provided out of the famous highway reserve fund, but let me point this out before some hon. member makes that explanation, that if we accept the position of the hon.

Minister that the catch-up programme, if you will, will cost in the neighbourhood of at least \$130 million a year — \$131 million I think was suggested as a minimum figure. If we accept the fact that in addition to that the hon. Minister anticipates a continuous expenditure on at least a 1955-1956 level, which I estimate to be \$165 million, then it is obvious that we are going to need something in the neighbourhood of \$290 million each year to carry out the programme that has been suggested.

I quite agree that this highway reserve money is available, but even with the highway reserve moneys at the present time we will fall far short of carrying out the programme that the hon. Minister has referred to in his preliminary remarks.

HON. MR. ALLAN: I wonder if the hon. member would allow me to clear up his thinking on the highway reserve fund — that is now the highway construction account, and the new Highway Improvement Act names it as such. The deficiency is actually just that — a deficiency — and the amount of money that we are spending out of the highway construction account, although it was obtained from gasoline or some other tax last year, is not sufficient to carry out our highways programme.

MR. WINTERMEYER: Mr. Chairman, that is of real assistance to me because that, I think, is a very honest acknowledgment of the fact that we have to grapple with. The first thing is with respect to the highway construction fund, as you now call it. One objection I have specifically with reference to the department, and it is one of the objections we voice continually in this Legislature, is that the revenue derived to build up that fund comes not from gasoline tax only but from general revenue and I think it is undesirable that this particular type of revenue fortify your department. I am prepared to acknowledge we need more money in the department to carry on the programme —

HON. MR. PORTER: You would not vote for the gasoline tax.

MR. WINTERMEYER: That is a point I have reiterated on two or three different occasions, I am prepared to vote for gasoline tax if we have some assurance that we will eventually have a highway programme that will be financially sound, but I suggest the worthwhile programme that has been suggested to hon. members does not have the ammunition to carry it to fruition because there is no sufficient volume of money to finance a programme this current year. We will fall short \$20 or \$30 million in the first year, and that is a basic objection we voiced at the outset.

Mr. Chairman, at the outset I said, "Show us a programme and show us how to finance in and we certainly will vote for it." That is the position we took at the outset and it is the position we take now. The fact of the matter is, it is a very worthwhile programme that has been suggested for the first time in this House, but it does not have the financial independence to carry it into operation and that is a basic objection I have at this particular time.

As I say, I have an objection on the situation where we are using funds of money from sources of revenue unrelated to highways to build up the highway reserve fund, and it exemplifies itself in The Department of Education, and in the breakdown I suggest that particular department is using less and less of their total expenditures each year and suggest also that it is being depleted at the expense of this particular department. I also suggested a year ago that the government should segregate this department and use the sums you need to put the plan into operation, and gradually go along with the plan and that you will actually have the financial wherewithal to carry out the plan.

The plan at the present time is a good one; it is basically good; but the fact of the matter is that what you want to undertake cannot be undertaken because the amount of money that is going to be spent will not put it into operation.

It is behind the times, and it is going to become worse as time goes on.

There is no doubt that 20 years from now we will have some additional highways, but what is your predetermination? Where do you want the centres of population? Where do you want industries? Is the government going to sit until industries and centres of population catch up with us? There is a difficult situation in Toronto at the present time. I know it needs assistance; but the fact of the matter is that the more highways you build in a district the larger population is going to be attracted to that district.

We have the same proposition across the entire province—that you must have a predetermination of where the main arteries should be built. The general area of western Ontario and the area of Georgian Bay and Lake Huron—that is an area which is being depleted of agriculture and where industry is growing up. This is an area which is not developing, and the reason is that it does not have a vital transportation system.

HON. L. M. FROST (Prime Minister): May I point out to the hon. member for Waterloo North that the general survey submitted by the hon. Minister of Highways is a plan for the future involving an expenditure, I think, of over \$3 billion in the next 20 or 25 years, and that is supplemented by the programme for this year, which touches every part of this province in a very vital way.

If he takes the programme set out in those blue books he has there the programme this year touches, as I say, every part of the province in a very vital way. He says that even with the revenue we have now we cannot do that. That would indicate that we are certainly not overtaxing with the additional two cents on gasoline tax. Perhaps the hon. member might send over a quiet note and suggest that that matter might be increased; but I would say, too, that there is no reason for him to vote against

the increase which, on his own statement, is not sufficient.

MR. WINTERMEYER: Mr. Chairman, being realistic about it, it is true that we have a plan which, carried into execution, is going to take care of current needs and, presumably, future needs, but I would say to the hon. Prime Minister that in this present year, 1957-1958 he is not going to begin the programme in any serious way.

HON. MR. FROST: Oh. yes.

MR. WINTERMEYER: If the programme, on the face of it, should come to \$300 million—I estimated \$296 million—the government is not going to spend anything like that, because it is well known that in years gone by there has been less spent than the estimated expenditure, and it is going to continue in that way.

We have to be realistic about the undertaking of the programme that has been suggested to this House—

HON. MR. ALLAN: May I say to the hon. member for Waterloo North that at the rate of spending this year we will complete our programme in 16 years.

MR. WINTERMEYER: How can that possibly be? At the present time the department is spending at the rate of \$230 million a year. The expenditures this year will be \$230 million. That multiplied by 20 is less than \$5 billion. Multiplied by 16 it is far less.

HON. MR. ALLAN: But our programme, as indicated, is to cost just slightly more than \$3 billion.

MR. WINTERMEYER: The new programme, or the total, which does the hon. Minister mean?

HON. MR. ALLAN: The total.

MR. WINTERMEYER: Is the hon. Minister suggesting that the total ex-

penditures of The Department of Highways for the next 16 years will be in the neighbourhood of \$3 billion?

HON. MR. ALLAN: That is the construction and maintenance of our King's highway system, toward which, this year, we are spending \$177 million.

MR. WINTERMEYER: Mr. Chairman, irrespective of how you work that out, the over-all situation is this: does the hon. Minister suggest that he is going to have sufficient money to inaugurate it? I would suggest that the hon. Minister is going to have to cut back.

HON. MR. ALLAN: I could not agree with the hon. member. If we are spending \$177 million this year, 20 times that is practically \$3.5 billion, which is more than the amount that we need, and when we add that back to the expenditures indicated in our plan it brings it to about 16.5 years.

MR. WINTERMEYER: I am very interested in this particular point. To clarify the fact that the hon. Minister and I are not talking about two different things, I realize that the hon. Minister is talking only about King's highways?

HON. MR. ALLAN: Yes.

MR. WINTERMEYER: And I am talking about the over-all position; but I suggest that the \$230 million that the hon. Minister talked about — that is \$250 million less highway construction fund, reducing it to \$230 million — that multiplied by 20 is approximately \$5 billion. Of course, over the next 20 years that is not extraordinary expenditure. Actually, we are doing nothing more than we would expect in that time, and I suggest that if the hon. Minister is going to inaugurate this extraordinary programme —

HON. MR. ALLAN: I may say to the hon. member that we have not taken into account in this plan — we have

made no study and, further, have not taken into account the amount of money that will be paid back to municipalities by way of subsidy; so that anything that might be said about that would be conjecture and, very largely, guesswork. It could be especially true of our major cities that expenditure there could grow greater. I may say that our programme this year is an expanded programme. It is 82 per cent. greater than two years ago, which indicates quite a growth; and we feel that this is the first stage of our highway plan.

MR. WINTERMEYER: Am I right in the contention that the amount of revenue that is derived this year will be affected — am I correct in saying that the total expenditures of the department, in the amount of, say, \$230 million, is less by about \$60 million than the suggested cost of the over-all programme, when the hon. Minister said that it could be operated at the 1955-1956 level of expenditure, of \$165 million plus \$131 million? The total of those two sums is exactly \$296 million, which is far in excess of the amount of money that is being spent at the present time.

HON. MR. ALLAN: I do not understand the hon. member's question. I do not remember having stated that, or having seen it stated that way in the plan, but it resolves itself into this — which is very simple — that our expenditure this year for King's highways, including maintenance is \$177 million. Much of the \$234 million goes for the King's highways' plan which is the plan in this book. Dividing that into the needs and adjusting the dollars, namely the 1955 dollars in construction work — we do not have the definite figures for this year — but gauging it upon our experience last year and the prospects for this year, the 1955 dollar is only 80 cents in this year's construction projects —

MR. WINTERMEYER: I want to get my point clear. Let us forget figures for a moment. The way I analyze this it seems that if the department would be

required to go along with the programme on approximately the same degree and size for this programme that there would not be sufficient revenue to carry out this programme in any material way. What does the hon. Minister propose to do to undertake this programme? I would think we are going to fall short before we get off the ground.

HON. MR. FROST: May I ask the hon. member is it true, in his mind, what we are asking for is inadequate?

MR. WINTERMEYER: Yes, certainly.

HON. MR. FROST: Then does the hon. member not think he should give us what we ask for, in any event?

MR. WINTERMEYER: No, because I think the hon. Minister's programme is a patchwork job. I do not think he is going to get this programme off the ground. I do not think we are going to be helped in our area for a good number of years. I do not think there will be an extension or direction of the population in any material way. I do not think the hon. Minister is going to aid towards the ingenious or wonderful things he says our highways should do.

Let him tell hon. members exactly where he is going to build these highways which will be of assistance to the over-all picture and we will be glad to go along, but just to say we need more money and, therefore, we must vote it, I do not think makes real sense.

HON. MR. ALLAN: I would not agree with the hon. member that it will be an indefinite time when we get to western Ontario with highway No. 401, because our plans in connection with highway No. 401 are very definite. We hope to have the contracts let as far as highway No. 8 by 1959, which is only two years from now. I do not think it is puddling along. I think that is making headway.

MR. WINTERMEYER: Mr. Chairman, with respect to that particular highway, the hon. Minister will agree that 10 years ago we talked about that and the people in the area have been expecting it momentarily for the past 10 years. I do believe there is no one more cognizant of the real consideration that it be expedited as quickly as possible as the hon. Minister of Highways, because of the various representations which have been made to him. That is one highway that has to be extended quickly. There is also the need to open up a number of other areas in western Ontario and, eastern Ontario, I am sure, is the same.

I cannot speak as personally of eastern or northern Ontario, because I am not as familiar with those districts as with my own. I do suggest that my people, for one, are quite prepared to pay additional gasoline tax if they are assured of a real highway development scheme, as put down on paper and acknowledged as accurately as it can be, to be put into execution within a reasonable period of time.

HON. MR. ALLAN: I would like to say to the hon. member that we are absolutely in agreement inasmuch as that is what we are going to do.

MR. R. WHICHER (Bruce): The other day the hon. Minister said that within two or three weeks, or a few months, he would have all the planning done until the end of 1959 for the work they are going to do, that is, in his department; why does the hon. Minister not let us have a look at it?

HON. MR. ALLAN: We may.

MR. WHICHER: The hon. Minister says he may, but we would like to know what is going on.

MR. F. R. OLIVER (Leader of the Opposition): There is just one point I would like to speak about, arising out of the discussion thus far. The hon. Minister says, in essence, over

the next 20 years, he proposes to spend on King's highways, construction and maintenance, a similar amount to what he is spending this year. It is going to be relatively even across the board for the next 20 years.

HON. MR. ALLAN: I would hope it would be more.

MR. OLIVER: I would say to the hon. Minister that it may be a little more, but his figures do not indicate it. He says, in the same breath, he has not enough money to finance this programme. The present revenue is bound to increase in the next 20 years and the hon. Minister will probably have twice as many cars on the road, and the revenue from those cars will be greatly accelerated in the next 20 years. If the expenditure is maintained, then some time within the next 20 years the revenues are going to catch up with the expenditures.

HON. MR. FROST: I am sure the hon. Leader of the Opposition will agree with this. We thought it wise to keep our taxes as low as practicable, and that is what we are doing, and we live in the sure and certain hope that we will be able to bring Ottawa's thinking around, and we will receive the extra \$100 million, and then we will be out of the woods.

MR. OLIVER: We are back to Ottawa.

HON. MR. FROST: I say it would be a great mistake to write off the possibility that there will be a change of thinking at Ottawa, beyond the imposing of taxes which would be necessary on our people. I think it is wise to keep our taxes as low as practicable and to count on the day we will make a better deal with Ottawa, which should not be more than 5 years, because the present arrangements end then. However, we do hope that before then there will be a change of heart at Ottawa, which will cover up for this province.

MR. WHICHER: I have gone through this plan for Ontario highways rather closely and while there are not any definite figures set out, I have checked them as closely as possible, and I think the hon. Minister will have to admit when I finish, that at the present time he is not taking into account the large number of cars which are going to be on the road. Using the hon. Minister's figures, entirely from his statement, at the end of 20 years he is going to have a considerable amount of money left over if he uses what he says he will for expenditure and what revenue he says will be coming in.

For example, in this book, the capital needs through to 1976 will be \$1.9 billion. Those are his figures. Development and maintenance will be \$2.3 billion — or a total of \$4.2 billion for the King's highways. Added to this, we have to take the figure for municipal subsidies and while the hon. Minister does not use any figure in his so-called master plan, taking as a basis what is given now, anywhere from 20 to 25 per cent. of the annual department expenditures will be used. In 20 years' time there will be between \$840 million and \$1.05 billion which would be given to the municipalities. In other words, over the next 20 years, according to the figures of the hon. Minister, there would be approximately \$5 billion spent.

HON. MR. ALLAN: Mr. Chairman, I think there is a misunderstanding in the reading of the figures in the book. I should have noted this when the hon. member for Waterloo North brought it up. The \$1.9 billion for 1955 includes only construction on King's highways. The \$2.3 billion includes the construction on King's highways, secondary roads, and the connecting links in the towns and villages. Therefore, the \$2.3 billion and the \$1.9 billion should not be added together. The \$1.9 billion is included in the \$2.3 billion.

MR. WHICHER: It is included?

HON. MR. ALLAN: Yes.

MR. WHICHER: Then, instead of spending \$5 billion in the next 20 years, the hon. Minister is going to spend \$3 billion?

HON. MR. ALLAN: Outside of the municipalities.

MR. WHICHER: According to the figures the hon. Minister has just given, 20 or 25 per cent. of the total income is given to municipalities. This makes the picture much worse. I was working on the assumption that \$1.9 billion was included and I now find that there is to be an expenditure of \$3 billion in the next 20 years.

HON. MR. ALLAN: On King's highways, secondary roads, and connecting links.

MR. WHICHER: And municipalities, too.

HON. MR. ALLAN: No, not on municipalities.

MR. WHICHER: The hon. Minister is using the \$2.3 billion on municipalities and capital expenditure. I will allow 25 per cent. of the total revenue for municipalities and I think it will be found that the total expenditure is something over \$3 billion, and against that, the hon. Minister's receipts are going to be much greater now.

According to the hon. Provincial Treasurer (Mr. Porter) in his budget for the year 1957-1958, the gasoline and diesel fuel tax will contribute \$134 million. Licence fees will bring in \$47 million. The total, in round figures, will be \$181 million. Does the hon. Minister agree on the figure of \$181 million revenue this year?

HON. MR. ALLAN: Yes.

MR. WHICHER: Well, it is an estimate. In 1955, according to the hon. Minister's own figures, there were 14.3 billion of road miles used in the province

of Ontario. Therefore, taking 1957 and 1958 driving, I think a fair estimate is that there are, at least, 15 billion miles of provincial revenue which works out to 1.2 cents per vehicle mile; that is cars, trucks and others. In 1965, according to the hon. Minister's own figures, there is going to be 25.2 billion of miles and in 1975, there will be 38.8 billion of road miles.

Therefore, using our 1.2 cents per mile which you are now collecting to do so for the next 20 years, we find the revenue in 1965 will be \$302 million and the revenue in 1975 will be \$465 million. Is the hon. Minister in accord on those figures? Those are the hon. Minister's own figures.

HON. MR. ALLAN: Mr. Chairman, I think our financing can hardly be considered in terms of what we are going to be doing 29 years from now so far as these estimates are concerned.

MR. WHICHER: Twenty years from now. And why I am speaking about it is because it is the hon. Minister's own plan. Using the hon. Minister's own figures, and his costs per mile, I find, over the next 20 years, according to the figures in this book, the plan for Ontario highways is made with no increase in taxes whatsoever, only the tax of this year, and the hon. Minister expects to take in \$5.767 billion.

HON. MR. FROST: May I ask the hon. member if he disagrees with the hon. member for Waterloo North, when he said there was not going to be sufficient money to do the job?

MR. WHICHER: I say there is not going to be sufficient money if you do the job properly.

HON. MR. FROST: On the job that was outlined the hon. member for Waterloo North said on the figures he made up, there was not going to be enough money and you say there is going to be a billion or two too much: now, which one of you is right?

MR. WHICHER: What the hon. member for Waterloo North was speaking of was this year and next year, saying that perhaps you were going to have a little deficit, but my point is by the year 1965, using your own figures, that your revenue is going to be \$302 million.

HON. MR. FROST: If that is the case taxes can be lowered then, a very happy position to be in.

MR. WHICHER: What I want to know is, why is it that according to this plan you are going to receive \$5.767 billion and according to the same plan you are going to spend \$4 billion, they do not add up.

HON. MR. FROST: I am afraid you have misread it.

MR. WHICHER: I am asking questions.

HON. MR. ALLAN: I think that is very simple, I think you have a copy of this book and if you would look at page 49 you would see exactly how the figures are arrived at. In the amount there the projected expenditure to complete the road in 20 years is \$2,738,430,000, and by adding 20 per cent. to that you get approximately \$3.3 billion. So far as we are concerned at the present time that comes down to an expenditure of about \$162 million per year on highways and construction.

While we are spending this year roughly \$130 million so that in reality here is a definite plan which we are not now taking into consideration, as you say, and which is considered to be reasonable, we hope, as has been pointed out, that revenues will increase.

Certainly as revenues increase so will maintenance and upkeep and a certain amount of this expenditure this year must be charged to our consolidated account but we hope that the revenue will gradually catch up with the expenditure and would be a very fine operation

if we had sufficient revenue—gasoline tax or our licence fees—to carry our road programme.

But it does not look as if we are able to do that with the present possible income, and with the desirability of spending—certainly it is suggested by the hon. member for Waterloo North not too much, he thinks we are still not spending sufficient money to catch up as quickly as we should. May I say we have expended the money as quickly as we feel it is desirable, there are other matters to be considered along with the expenditure of money, such as having sufficient staff, and we feel that we have expanded as fast as it has been possible to do so.

MR. WHICHER: Mr. Chairman, I am not giving this in any destructive way, I do not suppose there are any hon. Ministers who have our respect more than the hon. Minister of Highways, and I ask this question most sincerely: in this book you give the construction programme for the fiscal year 1957-1958, and in your address the other day you said you would have, very shortly, all the plans in your department up to 1959.

Now, this is the question: why can you not present—if you have a plan and it is realistic—why can you not present to hon. members in this book the plan for 1958 so we can know what is going to happen ahead and the people who live in the province and everybody else can know ahead of time and develop the outside areas?

We would know in advance if there is going to be a road there in 1958, 1959 or 1960. If you have the plans and your engineering staff are ready and the survey crews are out, why can you not tell us, instead of just 5 minutes before the presentation of your estimates, why can you not let us know the score?

HON. MR. ALLAN: Mr. Chairman, there are two sides to everything and while we are anxious to give the hon. members of this House every bit of information we can, that we feel is helpful, I cannot forget that it is desir-

able, especially if we are intending to build a road on a new right-of-way, that we procure the land for the new right-of-way as soon as possible after it is known that such a road is likely to be built there.

One of the hon. members of this House was pointing out to me the other day that he had been speaking to some one who thought it would be a good idea to buy some land in a certain area because he understood there was likely to be a highway put through there and he could hope to sell that land to The Department of Highways and have a real estate deal. There is consideration to be given to every angle.

Another point is that I think we will have a tentative plan, we hope by June, for 1959, and if we announce that plan now and something happens which prevents us from continuing that plan in its entirety, we find we have created a great deal of difficulty and misunderstanding. While we are most anxious to have our plan known as soon as it is desirable and when we have the land and our right to proceed with the work, we do feel it is unwise to pinpoint construction too long ahead and we have refrained, as you have noticed in our 20-year plan, from indicating the definite routes of highways on the plan. There are roads that will be built in the area but we have for that very reason refrained from pinpointing the road until we have purchased the land.

MR. WHICHER: I would like to ask the hon. Minister: for 1958 you certainly know in your own department where the roads are going to be built, would you have all the land bought for these highways for 1958? Certainly there is a definite plan there in the department for that year: is all the land bought, and if not why not?

HON. MR. ALLAN: No, we have not the land bought altogether, our land buying now is pretty well complete for the 1957 construction season and it is very desirable to have all your land before you start to build.

MR. OLIVER: Mr. Chairman, now we are on this land acquisition part of the department aspects, I say to the hon. Minister that I think that has been one of the great drawbacks in The Department of Highways in the past. I think we have lost the province a sum of money by not planning sufficiently far ahead and not acquiring the land where the highways are going to go well in advance of the actual construction of the highways.

The hon. Minister is no doubt aware of what they have done in the state of California. I have been quite interested, in my own study, of the way they have carried out their plans there. It has been pointed out in different articles that an arm of The Department of Highways was set up, and the responsibility of that arm was the acquisition of land for highway purposes. It was pointed out in the article that I have with me that the expenditure of \$19 million by this department in advance of the building of the roads was estimated to have saved the state of California well over \$100 million.

The hon. Minister said that he has most of the land for the 1957 building programme. I seriously suggest to the hon. Minister that one way that he can save this province a good deal of money in the building of highways is to lay out the need of the highways and set up a revolving fund to pay for the acquisition of land, and as The Department of Highways takes over from this other body then the amount is credited back and becomes a revolving fund.

It seems to me that in that way many millions of dollars can be saved to the province of Ontario. That is one angle, which, I think, we have not gone nearly far enough into and on which we have not done nearly enough work.

HON. MR. ALLAN: I may say that I find it very difficult to disagree with the hon. Leader of the Opposition in what he says about the purchase of land. He is entirely correct; it is very desirable to obtain that land well in advance, and that is what we are hoping to do.

There are some things that are just not physically possible. It is not physically possible to accomplish everything you would like to accomplish. But I may say to the hon. Leader of the Opposition that our thoughts in that direction agree entirely with his, and we are making every possible effort to develop our land buying department and to reach the stage whereby we do buy our land well in advance so that when we take, for instance, highway No. 401—when we are letting that type of contract—the liquidated damage claim in the contract, we must have the land or else we would be in for claims by the contractors.

We did purchase 9,000 parcels of land last year and that is quite an undertaking. But we want to get ahead and have our land bought in advance as much as is humanly possible, and we are doing everything we can in that general direction.

MR. WHICHER: I do not want to say very much more, but one thing that struck me the other day when the hon. Minister was giving his very capable address was one of the statements he made—that the industrial development of any particular area has a direct relationship with the highways that this particular area possesses. That is the point I wish to underline, that I do think it is the only way that smaller places in rural areas of the province can become better—not necessarily bigger—but at least better, and this province can become somewhat decentralized. I do not think any man can do more about it than the hon. Minister of Highways. That is the absolute proof.

We have many areas in southern Ontario where the one thing more than anything else that is holding them up is the fact that they have not got really good roads. We must have those roads; and I agree with my colleague, the hon. member for Waterloo North, that the hon. Minister should come up with a plan whereby we are going to get some better roads into the rural areas of both northern and southern Ontario. I may say that the government will not

have any trouble, so far as we on this side of the House are concerned, because we think that we are going to need more and more and we will have no hesitation in trying in our small humble way, to increase it for the government.

It is not only a right, but it is a necessity that this great province of ours stops centralizing around this great metropolitan area of Toronto. It is too big now. The hon. members who live in this city will agree with that; and we must do something to get the population not just 10 or 20 miles from the city, but 100, 200, or 500 miles, so that the whole province can develop and not just this area here.

The hon. Minister, as I say, has not given hon. members a plan to show us that the roads are going to be an actual fact in the next 20 years. Let us go for 10 years. Let us make this matter as reasonably close as possible. Give us the roads and the province will become not just a great city like Toronto, or the Toronto area, but it will really become a province that is prosperous in all places.

I hope the hon. Minister agrees with that.

HON. MR. ALLAN: Mr. Chairman, I recognize the reasonableness of the discussion, and we think that we have that plan. Certainly, we are going to do everything that is humanly possible to work out that plan.

MR. T. D. THOMAS (Oshawa): Mr. Chairman, my question concerns the municipal road programme, on page 45 of the report. I am taking the city of Oshawa as an illustration. We have there \$220,000 for construction and \$363,000 for maintenance—a total of \$583,000. I gather that this is the amount—the allowable amount—on which the government is paying a subsidy of 33⅓ per cent.

HON. MR. ALLAN: Where is that?

MR. T. D. THOMAS: On page 45. I am giving, as an illustration, the city of Oshawa.

HON. MR. ALLAN: That is the expenditure of the city of Oshawa upon which we pay subsidy.

MR. T. D. THOMAS: That is right. The total amount expended by the municipality for the fiscal year ending March, 1956, will be \$100,323,750. That is the total amount to be spent by the municipal governments.

Would it not be a much truer picture if that had been put underneath the approximate amount that would be spent by the provincial government, because that \$100 million will be spent by the local municipalities? All the government does is to spend between 33⅓ to 50 per cent. of that amount.

HON. MR. ALLAN: The hon. member is not entirely correct. We pay between 33⅓ to 80 per cent.; and the reason that it is in the book as it is, is that these are the by-laws that have been approved and because of the difference in the rates of subsidy it is very difficult to state it any other way. But it will be understood, of course, that we pay from 50 per cent. on certain types of construction—constructing connecting links in cities—I think I remember Oshawa having had a connecting link construction—

MR. T. D. THOMAS: Would it not be a much truer picture if there had been put in the amount of money that is to be spent by the department and not to put the \$100 million which is spent not by the department but by the local government?

HON. MR. ALLAN: But we must leave something for the hon. member to complain about.

MR. T. D. THOMAS: I am not complaining. All I am saying is: Why not present the facts as they are?

MR. P. MANLEY (Stormont): Mr. Chairman, I was very interested in the discussion so far, but when I was home on the week-end I got quite a few calls from different people in eastern Ontario, and, of course, the impression was, as

has been before, that eastern Ontario is being forgotten. I have one article here that was handed me. It is from the *Ottawa Citizen*, and it is under date March 28th. The heading is: "Roads Survey Decides Need in Eastern Ontario." It goes on to say:

Apart from highway No. 401 eastern Ontario will need only one short stretch of 4-lane highway in the next 10 years, The Department of Highways experts found in their study of road needs. The section is part of highway No. 17 from Ottawa east to Rockland. It will likely link with the Queensway.

The needs study urges only one important new highway section in eastern Ontario — a road running almost directly north from Cornwall to meet highway No. 17 near Plantaganet. Highways Minister James Allan said it will serve the farming communities in the area.

He turned down any suggestion that the old New York Central Railroad route should be used as a highway between Ottawa and Cornwall—

The article goes on, but I will not read any more.

All I want to say at this time is that, of course, the communities that the New York Central Railroad served are now without the railroad facilities and, of course, there is no highway in that particular part of the province except some county roads and township roads which are in quite a bad state of repair.

There has been—and I have mentioned this on several occasions before—a very urgent need, I think, for a highway connecting Cornwall and Ottawa. It does mention that there will be a road north from Cornwall, to, possibly, Plantaganet, but I would want to point out to the hon. Minister that if it goes to Plantaganet only—if that is the plan—there are going to be a number of communities farther west in the county that will not be served very well that were formerly served by the railroad.

There were several people, as I said, who called me; they want to know if the hon. Minister would really turn down the road bed of the New York Central Railroad as a possible site for a highway? I would like the hon. Minister to comment on that. I am also going to direct a question to him, if I may, Mr. Chairman, in regard to this road, and that is: Has the seaway authority approached the government and made any offer in regard to the purchase price of this land?

Is it feasible for the New York Central Railroad bed to be the site of a highway and of course, in asking that question, I am not advocating the road should be there, but I am just asking as to the feasibility of that particular road bed for a highway, and I would like to have the comments of the hon. Minister on this.

HON. MR. ALLAN: Mr. Chairman, I may say we were invited to participate in the purchase of the New York Central Railroad for the purpose of using the right-of-way as a road bed. We made a study of the plan and concluded that we should, if such a road were built, build one of two types. It should either be a controlled-access highway from Cornwall to Ottawa or it should be a road which would serve that area. That is, it should be a road far enough away from another King's highway, that it would divide the distance and would be of service so that the whole area was served by a King's highway.

We concluded the New York Central Railroad right-of-way was neither. We have had experience endeavouring to control access on a highway already in existence and we promised ourselves from that time on that we would never take that kind of job on again—the very difficult job of purchasing access and paying for the access which is taken away from the land owner. It is a most expensive operation and we are going through trials in connection with that on the Queen Elizabeth Way, and, therefore, we decided it would not be useful as a controlled access. Looking at it from the point of view of a high-

way to serve the rural area, we decided it was not in the location to do that.

Before that, we decided if we were going to build a controlled-access highway, it would be more reasonable to begin from scratch, and purchase the right-of-way and then we would not have the difficulty of purchasing access, and that would prove to be more reasonable than our share of taking over the New York Central Railroad. When we decided against that, I would like to explain to the hon. members of the House, that this is the first plan in respect of development.

I have no doubt that in two or three years this highways study must be gone over again, because there will be changes as population develops and the needs are indicated, and then the usefulness of such a plan will be in keeping with the current needs.

As we said, that area in the Cornwall district will certainly be studied in the light of the problems which exist at that time. There was not nearly enough traffic indicated by the study to justify the building of a controlled-access highway from Cornwall to Ottawa, and therefore, we decided not to have anything to do with taking over the New York Central Railroad as a road from Cornwall to Ottawa.

We have no definite plans as is indicated on this 20-year plan, but if a road is indicated there, and if development occurs before construction is proceeded with, it will be given attention.

MR. MANLEY: Mr. Chairman, just on that, I realize what the hon. Minister has said, but I just cannot go along with the comments he has made in that regard, and that is that there is not sufficient volume of traffic.

I do not know where he took his traffic count; whether on a county road or where he arrived at the figures to show there was not sufficient traffic. However, we do have to realize once there is a road there, there is bound to be traffic, and if there is no road running north and south then traffic is going in

some other direction. I think we can all agree on that.

The hon. Minister did say the present road bed of the New York Central Railroad was too close to some of the other highways running north and south. I would remind him it is quite a distance from the highway to the west, and if he is considering where this report has indicated, that it might be, over towards Plantaganet, then he is getting close to the highway to Glengarry to the east.

I would like to see it where it will serve the greatest number of people. I would just like to say to the hon. Minister that I do not think the people in the area are very much concerned that it should be a controlled-access highway. I think the villages concerned, north of Cornwall to Ottawa, want a good highway which will service communities and open up the district in that particular part of the province.

I think an ordinary good highway, such as highway No. 2 and highway No. 43, which has been constructed recently—that type of highway—is much less costly to build and will not take as much land as a controlled-access, and it would very well serve the communities. I think the different communities would be quite agreeable to have a highway such as that to connect Cornwall and Ottawa.

This is very important in the development of the area. There will certainly be a great number of people coming in there at all times, and it would be beneficial if they could have a road across to the capital city.

MR. OLIVER: Mr. Chairman, I just wanted to know something further regarding what the hon. Minister meant on the business of traffic counts. This idea always seems to me not to be basically sound. Of course, there will be heavier and more consistent traffic around the large areas of population, and, of course, there will be a smaller traffic count in the outlying areas.

I am suggesting to the hon. Minister there are many factors which should

be taken into consideration other than just a straight traffic count.

It seems to me if the department is going to build highways where highways should be built in this province, then the hon. Minister must take into consideration the potential good that a highway would do in a particular area, and not rely, as I think we have relied too often in the past, on the number of vehicles which pass over that road at the present time. We cannot get a potential at the present time in that regard, because the road itself is a barometer to better things in that area. The road itself will create the traffic count.

If the count is not there, but the need exists for a road, then, it seems to me, too much attention should not be paid to the traffic count, but rather, the department should assess the area as a whole and value the long-term good a road would do in that community, and forget about the traffic count.

HON. MR. ALLAN: Mr. Chairman, the hon. Leader of the Opposition and I seem to be in wonderful agreement today. In this study, we have done more of what he suggests than ever before. We have taken into account the needs of the area. For instance every municipality in the province having a population of 20,000 is on a trunk line.

Every town of 2,000 or more is on a King's highway, in many cases the class referred to as a feeder highway.

In indicating some highways which are not now in existence, these were for areas requiring highways to serve them. It was with that thought in mind that the communications and highways in additional areas have been placed in this plan of study.

MR. MANLEY: Would the hon. Minister give us an idea as to just when a road may be considered from Ottawa to Cornwall through Stormont county?

HON. MR. ALLAN: I am not in a position to do that, but I am in a

position to say it will always be receiving consideration along with the other roads in the province.

MR. G. INNES (Oxford): I would like to congratulate the hon. Minister on the report he presented the other day in which he mentioned that highway No. 401 would be completed very shortly in the county of Oxford. I must say that a large portion of the settlements have been made in a very satisfactory manner in the part that was completed. However, at the present time there is a portion which is being bought up, and I have had strong representations recently concerning the particular matter, and I believe I have a delegation coming to see the Deputy Minister tomorrow.

I did not want to bring this up, but I do believe it has a bearing on the fact that last December 5th some of the land owners in this area where highway No. 401 is going through were approached and actually, I believe, signed agreements, to sell their land, which merely stated that a portion would be paid on March 1st and the remainder on April 1st.

However, since that time the authorities have seen fit to investigate this road, and it has left the farmers in a rather sorrowful position, because they do feel that they would either sell their land to the highway or they would be able to be compensated.

However, they have been left in the unfortunate position where they do not know whether they are going to harvest crops this year or whether this land will be bought by The Department of Highways.

I do not want to criticize The Department of Highways too much. I know it is a very difficult thing to do, but I do feel the land owners are going to suffer to quite an extent. They cannot plan their crops or remove a stake here or there, and it certainly was a mistake to have them sign agreements before it was definite that this highway was to go through.

I realize buying land is a very ticklish problem, but I do feel there should be some co-operation between the surveyors, engineers, land buyers and land owners before a definite route is approved, and before any land is bought, because it certainly has a drastic effect not only on the future sales of these farms to prospective buyers, but to the farmers themselves.

Speaking of co-operation in these matters, I have felt at different times it would be a great benefit to people in the different counties if they could have a little closer liaison between the headquarters at Toronto and their district office and what is going on in their particular county.

In fact, I have had different people call me about approaches to certain highways and bridges, and I feel if we had a clear report, or something along that line, put out by the district office as to what is going on in the neighbourhood, it would be of great assistance not only to ourselves as hon. members but to the taxpayers.

I am not speaking politically, but strictly for the information of the taxpayers.

I understand the federation of agriculture in their brief have recommended to The Department of Highways that they take over a portion of some of the fences along King's highways. I do feel this is a terrific undertaking, and if any move were to be made along that line I think it would be a step in the right direction, especially along the 4-lane highways.

As hon. members know, the 4-lane highways are competing with the railroads, and since the railroads maintain the fences along their right-of-ways, I think it is only fair that we take steps in that direction, which would also be a safety measure.

I do not think the land owner should be responsible for making repairs where motor vehicles in accidents have gone through the fences.

These are the only comments I have to make, and I am not trying to be too critical; I am only trying to be helpful.

HON. MR. ALLAN: I might say with regard to agreements which are taken out, especially agreements on the part of the property owners to sell their land, I think they have misunderstood. It may be necessary to clarify these in some way, to make certain the farmer understands that it is not an agreement to purchase, it is an agreement to sell on the part of the land owner. Such an offer is considered by a land purchasing committee in our department; we are now considering the ones the hon. member has mentioned, and I think they are going to be cleaned up very soon.

Regarding the fences, we have given that matter consideration and we are still considering the possibility of our assuming liability for fences on controlled-access highways, because where there is a controlled-access highway we want to keep people out; the fences on an ordinary highway are to keep the farmers' stock in. There is a difference between the two.

MR. INNES: Would the hon. Minister comment on the other point I raised about a quarterly report?

HON. MR. ALLAN: We have not definitely decided on that, but we will give it consideration.

MR. MANLEY: I want to bring something else to the attention of the hon. Minister at this particular time. In his 1957 report which was brought before the House the other day there was mention made that a small portion of highway No. 43 remains to be done, and along with that there is the finish of the new location of highway No. 2 along by the project.

That, of course, as has been stated in the report, is going to be paid for 100 per cent. by the Hydro commission. Other than that, there is nothing in the report for that part of eastern Ontario.

As I said a moment ago, the people there are very disappointed, and I think I can sum up their words by reading a part of an editorial. I will not read it all, but just part of an editorial which appeared in the *Cornwall Standard-Freeholder*, dated Friday, March 29th, and I shall read this part which will substantiate what I said a moment ago :

Once again there has been no mention of any work being done in the eastern Ontario area on highway No. 401. This is just one more pill of disappointment for residents of the "forgotten" portion of the province to swallow. It was hardly unexpected, however, in view of the advance information contained in the 1957-1958 budget "white paper."

Nevertheless, being forewarned has done little to soften the blow which, in this case, time only aggravates.

For years now, attention of the authorities has been drawn to the urgent need for better roads and improved traffic conditions in the eastern portion of the province.

The urgency of action has been sought by letter upon letter from all municipal levels and from countless organizations. There have been innumerable delegations and lobbies to the Queen's Park principals involved; the members of the Legislature have been given first-hand evidence of the needs of this section of the province during tours of the St. Lawrence project.

For an equally lengthy period, the residents of this area have been given assurance upon assurance that the work would be done as speedily as possible.

Meanwhile, traffic on crowded, narrow, winding highway No. 2 grows and grows, and the accident toll mounts despite all-out efforts of the Ontario provincial police to impose a curb. The flow of traffic may not be as heavy as in some sections of western Ontario where apparent priority is being given to construction of highway No. 401.

But we do have a heavy, year-round preponderance of truck-transport traffic on an outmoded highway which is also expected to carry an increasing flow of visitors to the St. Lawrence project. Last year, visitors numbered more than 250,000. Preparations are being made this year to accommodate a million.

Residents of this area, who have watched the accident rate — and the death toll — in the district rise to new heights each succeeding year, have no alternative but to anticipate another season of tragedy on the highways.

In regard to the accident rate, I have before me a list of the accidents and the fatalities, and in the 3-year period from 1953 to 1956 there were 1,546 accidents and 68 fatalities in that particular part of the province.

I think that explains the situation in the area of eastern Ontario, and it is a great disappointment that nothing is being done on highway No. 401 from Cornwall east.

HON. MR. ALLAN : Mr. Chairman, may I say, first of all, that we are doing a great deal in that area. Our expenditures in that particular area this year amount to \$20 million in comparison to \$13 million last year, which is an increase of almost 50 per cent.

We will have in that area very shortly 35 miles of completely relocated No. 2 highway, which will be as fine a stretch of King's highway as there will be in the entire province. A considerable section of it has limited access control. In addition to that, we have built 17 miles of highway No. 401 to serve the area.

As we announced last year, we are going to proceed with the building of highway No. 401 east from Cornwall as soon as we can acquire the property, and as soon as the engineering has made it possible to proceed with the construction of that particular section of highway.

May I say to the hon. member for Stormont that in this time of accidents, in spite of what he has said today, the accident record has improved in each of the last 3 years over the section which he has just mentioned. The accident record is becoming better each year, without it being built. They must be good drivers.

MR. MANLEY: May I ask the hon. Minister, then, how much land has still to be acquired from Cornwall east? I did ask the hon. Minister before when he expected to get started on the road from Cornwall to the Quebec border. But how much land has yet to be purchased?

HON. MR. ALLAN: I am afraid I do not have that information here. However, we decided at the beginning of this year that we would proceed with that work, and the wheels are rolling and we are proceeding just as rapidly as possible.

MR. MANLEY: Mr. Chairman, I am very much concerned, as the people are in that part of the province, and as I mentioned a moment ago there is a considerable amount of traffic there. Yesterday I drove over that particular road down along the St. Lawrence River. It compares to driving along Sunnyside in Toronto between 4 and 5 o'clock. It was difficult to try to drive through traffic yesterday — Sunday afternoon. The cars were bumper to bumper.

The people in my riding are very much concerned, and I think it will be for the betterment of everyone when the part from Cornwall east is actually started by The Department of Highways, and I urge the hon. Minister to do that as quickly as possible.

MR. J. SPENCE (Kent East): With regard to Kent East, I believe the survey is completed for highway No. 401 in that area. The hon. Minister mentioned in his remarks that highway No. 401 would be completed in 1967. If he

could give an announcement as to his intention to buy the property and pay for it, it would be a great relief to those property owners in that area.

HON. MR. ALLAN: Mr. Chairman, I may say that is one of the later sections of highway No. 401. That is, it is scheduled as being one of the last sections to be called because of the present needs that are indicated in the area, and it will be some little time before we have the staff to go ahead and purchase the land, which we intend to do as soon as we possibly can.

In the meantime, the hon. member should not worry about planting his fields; if he has not sold his farm, he should proceed to plant his fields just as if there had never been anyone there from The Department of Highways, and if it is found we need the land before the crops are harvested we are always fair about it.

MR. D. C. MacDONALD (York South): Mr. Chairman, we are moving towards the end of vote 601. I have one or two questions regarding personnel which I would like to ask.

Would the hon. Minister give us a statement on what the position now is with regard to casuals in the department, and what possibility there is of a substantial reduction of that number?

Finally, is there any possibility of implementing within The Department of Highways the kind of approach regarding casuals indicated by the hon. Minister of Lands and Forests (Mr. Macdorman) last week when he stated that, as far as he is concerned, any new employee in his department would go on staff, in what I assume is a temporary capacity, moving towards permanent after one year?

HON. MR. ALLAN: I may say to the hon. member for York South that apart from technical personnel, a very great number of our staff begin as casual employees and, strange as it may seem to the hon. member, a very great num-

ber of them wish to continue as casual employees.

The reason for that is, as casual employees they are working on an hourly basis, and because of the type of work that highway construction is, and the number of hours that a person is called upon to work, a great many of them are anxious to remain as casual employees.

We are endeavouring to increase the number on the permanent staff, and did increase that number last year by more than 600, and that brings to 1,755 the number who are now on permanent staff. It is our intention to continue to increase and to encourage those who are steadily employed to become members of the permanent staff.

MR. MacDONALD: How many casuals are there, about 7,000?

HON. MR. ALLAN: There are 5,776.

HON. MR. FROST: They are seasonal or casual.

MR. MacDONALD: I was just going to say, Mr. Chairman, I recognize that, in The Department of Highways with the type of work they are doing, there will always be more casuals in that department than in others.

However, there must be some validity in the claim which has been made for years by the civil service association in protest against some who have been casuals for 20, 25 or 30 years. I have not investigated any one of those specific instances. Perhaps even some of those who have been casuals for 30 years want to remain as such. But I would judge by the continued protests of the association there are some desirous of getting on the permanent staff.

HON. MR. ALLAN: It is quite an undertaking to process that. Our personnel branch are proceeding and endeavouring to get along with that as well as they can.

MR. MacDONALD: There is one other question with regard to personnel, Mr. Chairman, and this has relation not only to The Department of Highways, but to other departments as well. I am speaking from memory, but during the past year, two or three instances have been drawn to my attention.

One is with regard to people who make application to The Department of Highways or some other department for employment. They apparently are of the opinion that the jobs which have been offered to them are suitable.

They leave the jobs where they were and burn their bridges behind them, and get into the department. Then it is found that their work is not satisfactory; and in one instance, which was drawn to my attention a few months ago—I think it was in the provincial police—at the end of two weeks' time, the person was given his notice. Yet he had burned his bridges behind him. He was in a good job, in this instance, I think, in one of the civic governments in the city, with a pension plan, and yet there he was, high and dry.

The other instance which was brought to my attention this past week was with regard to The Department of Highways purchasing branch. I am not in a position to judge whether the applicant misunderstood what he was told or whether the personnel officer in the department did not give full details to the applicant. But certainly, when the man got in there, he found he was going to be given a job which was not suited to his particular training or his particular interests.

When this man tried to get some sort of switch he, in effect, was told: "You are in the purchasing department, even if it is not what you are particularly interested in." He protested a little more and got his walking ticket.

I recognize this is a difficult problem, but if a man has left his job and is a family man with all the obligations of a family, and suddenly finds himself betwixt and between—cannot go back to the other one and has lost this one—it is a bad situation.

HON. MR. ALLAN: I have never had anything like that brought to my attention.

MR. MacDONALD: There was a case in the purchasing department in the last month.

MR. H. NIXON (Brant): I want to ask the hon. Minister a question with regard to Old Fort Henry. The sum of \$85,000 is a considerable item. I presume there are some earnings there, are there not?

HON. MR. ALLAN: That is the net.

MR. NIXON: That is net?

HON. MR. ALLAN: That is higher than last year, for the reason that a bridge is to be built, and completely new washrooms are being installed.

MR. NIXON: It is a sort of carry-over, I presume, from the days of T. B. McQuesten, who took such a great deal of interest in this.

I thought, perhaps, the time had come when it should be switched from the hon. Minister's particular department.

HON. MR. ALLAN: There is a great deal of upkeep in connection with it. The fort practically runs itself—that is, the revenue from the fort is sufficient to operate it—but it is a tremendous thing; it is necessary to have someone pointing walls all summer long, every summer. It is a tremendous task. This year, on account of a little extra in this way, it is \$10,000 more than it was last year.

Vote 601 agreed to.

On vote 602:

MR. WHICHER: In going over some of these subsidies to municipalities—I hope none of the hon. members for Toronto ridings are going to think I am trying to take a crack at them—but I see that the total allotment

for appropriation under normal by-laws in the province this year is about \$72 million. Included in that, the amount for the whole of metropolitan Toronto, is about \$15,763,000, or almost \$16 million.

This amount, appropriated out of that \$72 million, is approximately two-ninths of the total.

My question is this—and I do not expect the hon. Minister to answer it right at this moment—I would like to know how many miles of municipal roads the department has in metropolitan Toronto, and how many in the rest of the province?

HON. MR. ALLAN: No, I could not tell the hon. member at the moment.

MR. WHICHER: We can find that out later.

Does it not seem to the hon. Minister that this amount of money—about \$16 million out of \$72 million—is a great amount? I realize it takes a great amount to look after this huge city, and it must have roads. But, at the same time, surely it is entirely out of proportion.

The hon. Minister has said he appreciates the situation that there must be some decentralization in this province. How are we going to carry on any possible over-all decentralization when we have approximately \$16 million out of \$72 million under normal by-laws being allowed in this one city?

HON. MR. ALLAN: Mr. Chairman, of course, the revenue which is obtained from that area is even greater than that proportion.

I do not know whether the hon. member realizes that or not.

MR. WHICHER: I absolutely agree with that, yes.

HON. MR. ALLAN: That is agreed. So far as the amount of subsidy is concerned, the control, the places where we have exercised control or

endeavoured to exercise control, is on the maintenance, which is an expenditure of about \$47 million in the province, of which we contribute \$22 million.

We contribute one-third of the cost of maintenance of city streets, and in the figure there is included metropolitan Toronto and all the municipalities including the municipality of the hon. member for York South. All the municipalities of the metropolitan Toronto area—

MR. WHICHER: They are all included, of course.

HON. MR. ALLAN: And apart from the \$22 million of our subsidy which is paid toward maintenance of highways, we have made available capital expenditures to all other municipalities throughout the province. We have never refused to approve for subsidy a capital expenditure that we felt was a sound one.

That is, we have gone all the way with all municipalities in their capital expenditure work; so that the municipalities other than metropolitan Toronto have not been limited in their work.

Last year we did not expend the entire amount which was voted. There is still some of that appropriation unspent.

MR. WHICHER: The \$22 million—that is the amount which is being given as subsidies for maintenance in this province?

HON. MR. ALLAN: That is right.

MR. WHICHER: And the figure which is being allowed in metropolitan Toronto is almost \$8 million: so, in other words, speaking very roughly, almost \$3 million of that \$22 million is for the city of Toronto.

HON. MR. ALLAN: When the hon. member says the city, does he mean metropolitan Toronto?

MR. WHICHER: I mean the entire metropolitan Toronto area. My point

is this: we do not have a quarter of the representation. I am only trying to say that I know it takes a large amount of money to run those roads in Toronto, but how much nicer it would be to put more money into the outlying area so that they too could have good roads.

HON. MR. FROST: The municipal subsidies have been very generous, and of recent years the municipalities have not been able to spend the amount of money given to them. In every area and in every municipality their maintenance costs have been well taken care of.

In the last several years, in the matter of their capital costs, there has never been any objection if they submitted their capital programmes for approval in giving them supplementary by-laws to meet the situation.

It used to be, when the party of the hon. Leader of the Opposition was in office, the municipal by-laws were very strictly limited, and if they went over that amount they simply had to pay it themselves.

What we have been doing is this: We have been having a very realistic assessment made over the last 3 or 4 years of the capital maintenance requirements of every municipality. I think every municipality in this province has been gone over a number of times.

This year the amount for maintenance is some \$3 million higher than it was last year, in order to make absolutely sure the municipalities will have by-law money and government subsidy to take care of their maintenance requirements.

In the matter of capital requirements, if during the year a municipality desires to build a bridge or pave a road or something of that type, and its representatives come to the department, it is invariably approved by supplementary by-law. There is no difficulty.

The hon. member will find that the municipalities are unable to spend the allotted amount of the by-law money and what might happen is this: It can be that one municipality will spend more,

and will have supplementary approval; but, on the other hand, some other municipality will spend less.

As a matter of fact, some two years ago, if my recollection is correct, metropolitan authorities found they had a tremendous job in front of them which would cost more than \$17 million for staff and engineering requirements, and they were able to get only about half of that done.

MR. WHICHER: Then the situation is, on construction a municipality can get supplementary by-law, and on maintenance this is the amount used?

HON. MR. ALLAN: That is the amount of subsidy funds available at the time.

MR. R. GISBORN (Wentworth East): I understand there is going to be some work done on highway No. 20 from King Street to the Queen Elizabeth Way, and, I understand, it includes widening.

The question I would like to put to the hon. Minister is whether they are going to pay any particular attention at this time or any other time to some provision for an underpass in areas where there is a newly built-up population and where schools are springing up in the area.

In this particular area, there is a public school on the east side of the highway and the population is growing to a considerable extent. I believe we should begin to give some consideration to underpasses for the safety of children crossing. At this particular spot, the closest crossing is a quarter of a mile down the highway.

HON. MR. ALLAN: Mr. Chairman, the experience with underpasses throughout the whole continent is unsatisfactory. Drainage, of course, enters into it, but there are other difficulties. I do not think there are many schools along that particular street. Mr. Chairman, may I ask the hon. member if there are any schools on that street?

MR. GISBORN: There are not any schools on the highway but they are just within a city block; the one I am referring to is called the Greenacre school.

HON. MR. ALLAN: In that particular area it is mostly through the village of Stoney Creek, and in most areas where there is a 4-lane highway, patrols of some sort look after the children.

MR. GISBORN: I wonder if the hon. Minister would point out one or two of the difficulties in underpassing. He mentioned drainage —

HON. MR. ALLAN: One of the difficulties is to get people to use them. There are others I would rather not mention. For instance, in the hon. member's riding we built an overpass in a very busy section of the area, and no person ever uses it. The hon. member has probably noticed that himself.

MR. GISBORN: It is an indication that we have to put more pep into our safety highway programme.

MR. R. E. ELLIOTT (Hamilton East): Mr. Chairman, I might tell you of the experience in Hamilton. There is one extra underpass being put in, in that highway to take care of the children going down to Brighton Beach. That has been put in at the request of the city council. The city council called on the planning commissioner, who at that time was the deputy planning commissioner, and told him they were entirely satisfied with the situation laid out by this department. That was about a year ago.

Vote 602 agreed to.

On vote 603:

MR. OLIVER: Mr. Chairman, I was interested a minute ago as to what the hon. Minister said about the change of name of the highway reserve account to highway construction account. If I

had been the hon. Minister, I would have thrown the whole thing out the window and not bothered to change the name at all.

I cannot see any real purpose in having this account in The Department of Highways. It is not a reserve account, as the name would seem to indicate, in order to have a set-off. It is simply a checking current account. Money can be taken out any time and put in at any time. There is no permission required under any statutory proviso as to what shall go in and, certainly, none as to what will come out. The hon. Minister can take out \$10 million or \$15 million, whatever he likes.

Why should not the same purpose be achieved by doing away with this fund, this set-off, that we are examining at the moment, and have the money put into a consolidated revenue fund of the province? Of what use is this account other than as a hiding place for any surplus when the hon. Minister cannot find any place else to put it?

HON. MR. ALLAN: This is really the one point of disagreement between the hon. Leader of the Opposition and myself. In The Department of Highways, we really think it is a fine arrangement. That is current revenue represented by the gasoline tax and motor licence tax, and that current revenue is placed in a highway construction account, and we use it for highway construction.

I think every hon. member in this House will agree that, if we were to borrow money for construction of all highways, we would soon build a house of cards that would be difficult to maintain. Highways do not last too long. About 20 years is considered the life of a highway; if it is well built it will last that long.

In our highway plan we plan to rebuild almost all highways within the province within 20 years.

The money in that account, \$57.5 million, is current money which will be used for capital purposes in the con-

struction of highways, and as a citizen of this province, I wish we had a lot more of that to be used for the construction of our highways and to pay as we go.

MR. OLIVER: The contention of the hon. Minister leaves me cold because of this fact: he says it is current money, but it is surplus money. It is the money which the hon. Provincial Treasurer has left over at the end of the year, and out of which he puts a certain amount into the highway construction account.

The hon. member says we should pay for part of the construction of highways, and certainly we should. But we should pay for it out of the consolidated revenue fund. As a highways reserve fund, it is just a nonentity that is put there for the purpose of the treasurer. It does not serve any purpose at all.

HON. MR. ALLAN: We are voting in \$20 million this year, but not out of surplus.

MR. MacDONALD: May I add a word in this connection? Would the hon. Minister agree that there is absolutely no difference at the end of the year between the procedure in which the government takes certain moneys, which are surpluses, and votes them as supplementary estimates, and the situation when they are put into the highway reserve fund, now called the construction account? I suggest it is the same thing—the same money from the same source.

My objection to this is that, on any strict accountancy procedure, it is not a good thing to have two sources for deriving money, and that is exactly what the hon. Minister has. He may, on his capital account, to meet an extended capital programme, on some occasions dip into the highway reserve account where the money is when diverted or surpluses paid as an alternative to a supplementary allowance.

On the other hand he is following something, it seems to me, that is in

defiance of all orthodox accountancy procedure, and it has the air of arousing suspicions, and that in itself I do not think is a good thing.

HON. MR. ALLAN: But we will have this money from our highway construction account; that is, that money will be spent.

HON. MR. FROST: Mr. Chairman, this gives to the people of this province the true picture; it is very soundly arguable. As a matter of fact, the arguments in relation to this go back to the days of Mr. Dunning at Ottawa. That features the combined expenditure of capital and ordinary account more than the receipts, then that is a deficit. I have always thought there was a bit of an extreme argument there.

On the other hand, that is the policy that is followed at Ottawa. This huge surplus of \$500 million or \$600 million they have there is a surplus over their combined ordinary and capital expenditures.

MR. WHICHER: Last year's deficit was the same way, was it?

HON. MR. FROST: That is right. Last year's deficit is one which is calculated after adding in the revenues and capital receipts of all the expenditures. Mr. Dunning a number of years ago — probably 20 years ago — made reference to the fact that it was bridge score accounting. I used that in some of my budget statements. I have always felt that was an extreme point of view, and I see the hon. Leader of the Opposition nods his head in approval.

MR. OLIVER: No, I did not do anything of the kind. I have a habit of doing that.

HON. MR. FROST: I thought he agreed with my point of view, and Mr. Dunning's, as being an extreme point of view. Then, if that is the case, if we take it on that premise, which I think is extreme, the province is, generally speaking, in a deficit position.

I would say to the hon. Leader of the Opposition that one of the reasons for the introduction of the highway reserve account, and now the highway construction account, is to keep matters straight with the people. It is much less easy for some hon. members who are in the opposition—and I would not say this of the hon. Leader of the Opposition—to misrepresent when the highway reserve account is there than when it was not there.

This is the situation: it is, of course, quite possible to take moneys that have been lifted additionally and credit them into the sinking funds, and refund the debt on one hand but increase it on the other, and to do the extra workings on highways by means of treasury orders or something of that sort. I think that only leads the people to say, including hon. members who may be associated with the hon. Leader of the Opposition: "The province is building up huge surpluses."

But it is not building up huge surpluses. As a matter of fact, I have in the past been interested in some of the editorials of the *Toronto Daily Star*, and they would refer to huge surpluses which the province supposedly had; but at no time did the province have a huge surplus.

I would say that if the hon. Leader of the Opposition followed Mr. Dunning's system — the accounting which still prevails in Ottawa and in some other provinces — we are in a deficit position.

This account keeps the matter in true perspective. It keeps it in a position where the people are not misled, and where they know that their money — which comes from current account, because that is where it comes from — these dollars are applied to doing capital works which are in no way charged to debt.

I think it is a sensible and laudable system and would be approved of as sound financing by independent experts and government officials anywhere.

MR. MacDONALD: Mr. Chairman, let me ask a question. Going back to what the hon. Minister of Highways said a moment ago, that when the department wants money for capital expenditure they always take it first out of the highway reserve account, or the highway construction account, and presumably if he does not have enough he borrows it. I think I am correct in stating that every year we have money left over in the highway reserve account.

HON. MR. ALLAN: We did not last year.

MR. MacDONALD: Not last year, but every year for two or three years back. In other words, the hon. Minister takes some money from the highway reserve account and some from capital, so that is a sort of reserve which he cleans out and then it is supplemented. If that is so, then this may be another new development in the department that is commendable. It has not always happened in the past.

HON. MR. ALLAN: I must say that I thought the hon. Leader of the Opposition was going to compliment me on taking these words "highway reserve" out of the new Highway Improvement Act. I thought he was going to be exceedingly happy because there would be money in the highway construction account, and that is exactly as it is. As the hon. Leader of the Opposition has said, the money is in the account, and it will be taken out and spent, and it is our intention this year to spend it all before we borrow.

MR. NIXON: The hon. Minister said he had no money left in the highway reserve last year.

HON. MR. ALLAN: That is right.

MR. NIXON: This is a new year and we voted \$37.5 million into this fund. Is that not there yet? Surely that has not been spent.

HON. MR. ALLAN: That is a little technical. Before the supplementary estimate was voted there was nothing in the highway reserve account. The sum of \$37.5 million was voted in the account from supplementary estimates. The Legislature will vote in \$20 million so that provides us \$57.5 million of current money to use to build roads.

MR. NIXON: But the moneys we voted into it from the supplementary estimates are still there?

HON. MR. ALLAN: That is right.

MR. NIXON: The hon. Minister is adding \$20 million more.

HON. MR. ALLAN: That is right.

MR. NIXON: And then, on the next page, the hon. Minister is voting it all out.

HON. MR. ALLAN: We will spend it out.

MR. NIXON: It is voted out. On vote 605, the last item is \$57.5 million, which is exactly the same amount we have been talking about. The only purpose of this whole business is just to confuse the public.

HON. MR. PORTER: No.

MR. NIXON: Certainly.

HON. MR. ALLAN: No, there is no confusion at all. I am rather glad now that is here, because it gives the hon. member an opportunity to sort of pretend that he is confused. But it is very simple.

MR. WHICHER: May I ask the hon. Minister this question then? If he says there is nothing confusing about it, how did he pick the figure of \$37.5 million?

HON. MR. ALLAN: I did not pick it.

HON. DANA PORTER (Provincial Treasurer): Perhaps I can explain.

MR. WHICHER: If the hon. Provincial Treasurer does, he is going to do an excellent job. Why did not the hon. Minister of Highways make it \$38 million?

HON. MR. PORTER: If the hon. member's mind is closed to it, if he thinks this is just to mislead the public and that thought is so ingrained in his mind, I do not imagine I will have much success.

But, if the hon. member will look back over the estimates of the last few years, he will see that sometimes, at the end of the year, we perhaps have underestimated the amount of revenues which we are to receive.

When the economy is buoyant, that is what happens, and we have at the end of the year a certain amount of money with which, unless we have a special way of dealing with it so we can spend it the following year, we can either put it into the sinking fund, or we can just leave it in surplus.

If we want to use that money to finance capital construction in the following year, we put it in the highway reserve account, and by the statute under which that is set up, that money is carried forward for the use of highway construction, and part of the fund is provided for highway construction in the following year.

The \$37.5 million was the approximate amount of what was left at the end of last year, as a result of the increase in revenues beyond the estimates.

MR. WHICHER: That was the surplus of ordinary revenue last year?

HON. MR. PORTER: Yes. That is right.

MR. NIXON: The hon. Minister still kept a little surplus, a nest-egg, like?

HON. MR. PORTER: That is right.

MR. NIXON: Why did not the hon. Minister put all of it in?

HON. MR. FROST: Hon. Mr. Harris underestimated his revenues by over \$300 million.

MR. NIXON: I did not notice that. Maybe that is not so much more than the hon. Minister underestimated.

HON. MR. PORTER: That is not the way we do it. As some of the hon. members have already pointed out, our revenues have been consistently insufficient to pay for the total of the capital expenditures in any one year, so that we have spread out the balance by borrowings.

But, the more we can find in revenues to put into that construction the better, because that is the best way of keeping down the debt and maintaining our credit strong and flexible.

The system may sound a little complicated, but when one gets right down to it, it is just providing cash money which we can carry over from last year, and we have authority under the Act, and under the appropriation that is passed upon, to use that money for highway construction.

MR. OLIVER: Mr. Chairman, now that the hon. Provincial Treasurer is in an explaining frame of mind, how would he go about explaining this situation?

Supposing he had not underestimated the revenue last year by an amount which would allow him to put \$37.5 million into the highway reserve account—supposing he had not any surplus and he would not thus be able to put any into the account, what would happen to the highway construction? Where would they get the money in that instance?

HON. MR. PORTER: We would simply have to borrow that much more and increase taxes to provide for it, as we did this year. We have increased some taxes this year in order to meet that difficulty.

But, of course, in every increase that we propose, the hon. members opposite vote it down. Nevertheless, we succeeded in carrying our legislation so that we will be in a position to keep our credit strong and flexible, and keep things in good shape so that the hon. Minister of Highways can do a good job.

MR. WHICHER: Mr. Chairman, I thought the hon. Prime Minister was very fair in his explanation of how Mr. Dunning did it in Ottawa and the fact they still do it now. I do not think he was largely bitter, but he seemed to be in a better mood this afternoon. How does the hon. Provincial Treasurer feel about this?

HON. MR. PORTER: About Ottawa?

MR. WHICHER: No, about budgeting that way.

HON. MR. PORTER: The hon. member means the budget, the way they do it in Ottawa?

MR. WHICHER: I mean by that, they charge up everything, capital and ordinary expenses, in the same account.

HON. MR. PORTER: Well, of course, if one has revenues like that, that would be the simple and the easy thing to do—

MR. WHICHER: That is an easy way for the hon. Provincial Treasurer to get out of it.

HON. MR. PORTER: —if one has surpluses of that kind.

MR. WHICHER: Last year they had a deficit. The hon. Prime Minister gave a very logical explanation while the hon. Provincial Treasurer was out of the House, about the fact that they charge both capital and ordinary expenses to the same account, and it amounts to so much money, and they take in so much revenue, so that in reality, the province of Ontario last year

would show a deficit on ordinary revenue of so many millions of dollars.

HON. MR. FROST: No.

HON. MR. PORTER: An over-all deficit, if the hon. member wants to put it that way.

MR. WHICHER: On all accounts. On both accounts, that is what I mean.

HON. MR. PORTER: That is right.

MR. WHICHER: What is the hon. Provincial Treasurer's feeling?

HON. MR. PORTER: Well, I do not know what the hon. Prime Minister said.

MR. WHICHER: Perhaps the hon. Prime Minister could tell you. It would be handy to know what he said.

HON. MR. PORTER: Well, Mr. Chairman, the method of bookkeeping which is applied by the hon. Provincial Treasurer has been followed, I think, since the year 1907. There has been no change. It has been the traditional method of bookkeeping.

I am informed by the accountant that it is the correct way of keeping books, whether it is for a private company, for a government, or for any other person engaged in business, that one keeps an ordinary account and a capital account.

If businesses or municipalities have not revenue sufficient to cover their capital matters, they borrow the money and keep a separate account.

When a company or a government has a great capital programme of expansion, it is quite unrealistic to expect the taxpayers, in one year, to pay for the whole of the capital, because that capital is something which is invested in roads, or in various other assets, which will be used by the taxpayers over many years to come. Therefore, it gives the true position when one shows a separation of capital and of ordinary, of the

finances of any enterprise, whether it is a government or a private concern.

But with a government, a provincial government particularly, one has to be very careful about adding too much to the debt from year to year. The financial critic of the opposition (Mr. Wintermeyer) makes this point all the time; he is always worried about the debt, although he will not vote for any money to improve it.

We have to be careful all the time. If we are in the position of having too many of our bonds out on the market at one time, there would be a saturation point, and quite aside from the fact that, theoretically our credit might be all right if we have a sufficient sinking fund against an increasing debt, if we get to the point where our bonds are in such volume on the markets and being held by individuals and corporations to such an extent that no matter how good they may be, they do not want any more of that one type of investment, then there is difficulty in borrowing.

MR. NIXON: What would that saturation point be? Would it be \$4 billion, \$10 billion, or the \$2.5 billion which the hon. Provincial Treasurer has now?

HON. MR. PORTER: I think we are now in a sound position, and I would not be prepared to say whether we could double our debt overnight and still have our credit strong. I think that the impact of any such move would weaken our credit. Although we would be paying exorbitant interest rates, it is true, we can borrow readily in the volume that we need, and the reason is that we do pay about two-thirds of the cost to capital expenditure out of revenue, so that our borrowings are kept in line and we are free also to borrow very heavily for Hydro, or rather to guarantee the borrowings of Hydro, and for the many other undertakings of a heavy liquid nature which we have.

So that the bonds of the province plus the bonds guaranteed by the province are never too close to the saturation

point. I could not answer the question as to just exactly what would be the saturation point, but I do not want to try to reach it.

MR. WINTERMEYER: I just want to make one point that might be a little confusing.

The hon. Minister of Highways suggested that the payments to highway reserve fund are from gasoline tax and the motor vehicle branch tax. I would ask the hon. Minister if that is correct?

HON. MR. ALLAN: That would not be correct, although it is made possible by the revenue from those funds; and there has been always a hope, I think, by almost every government, that the revenue from roads could find its way towards their maintenance, care and construction.

MR. WINTERMEYER: Does not the hon. Minister think that that is one serious criticism of this fund, that it uses revenue from other than highways to assist the highway programme? It is natural that the department should want the assistance, but the fact of the matter is that it does becloud the fact that The Department of Highways is not actually paying its own way.

HON. MR. ALLAN: Of course, I take so literally the hon. member's request to have more roads built that I am delighted to get money from anywhere.

MR. WINTERMEYER: Being a little technical, this is an inconsistent position.

MR. GISBORN: Might I ask the hon. Minister for information? I do not notice any appropriation in the estimates for compensation awards and costs. What is the difference between The Department of Highways and other departments which have provision for workmen's compensation awards and costs?

HON. MR. ALLAN: That is in vote 602 — compensation and insurance, \$400,000.

MR. GISBORN: The hon. Minister says it is in vote 602 (1)?

HON. MR. ALLAN: It is included in that vote.

Vote 604 agreed to.

On vote 605:

MR. J. F. EDWARDS (Perth): Vote 605 has to do with the construction of King's highways. We have heard a great deal in this House about highways No. 401, No. 402, and No. 2 and No. 3. We have not heard too much about No. 19, No. 23 or No. 9.

The thought just occurred to me — has The Department of Highways ever considered a third route which could easily be accomplished by a connecting link between No. 9 and No. 7? People from western Ontario, as far as Sarnia, come up No. 7; they are re-routed as far as Brampton. I think they could be handled across No. 19, No. 23, or No. 9, on a small cut-off between No. 9 and No. 7, which would take them straight to Newmarket and keep all that traffic away from the heavily populated areas.

HON. MR. ALLAN: I am not sure that I understand. In coming to Toronto I would think the traffic from that area mentioned by the hon. member would use highway No. 401.

MR. EDWARDS: I do not mean traffic really coming to Toronto; it is traffic that is going east.

HON. MR. ALLAN: I think our studies indicate that there is very little traffic which by-passes the city — very, very little; although we are always making studies of traffic.

MR. OLIVER: On this vote, I want to ask the hon. Minister about how many miles of county roads have been taken

over this last year, and I wonder if the hon. Minister could tell me in what counties they are located?

HON. MR. ALLAN: Mr. Chairman, we have taken over very few county roads during the last year.

I can give the hon. Leader of the Opposition a list of the roads which we have assumed. The new assumptions this year are: Windsor to Tilbury, 26.5; London to Woodstock, 39; Toronto bypass, 12.5; Fowler's Corners road near Peterborough, 5.5; one near Kingston, 5; L'Original to the Quebec border, 15; Marysville to Napanee, 7; No. 518, which is an extension of a secondary road, 5 miles; and in the Black Hawk area, 6 miles; the Fort William area, 7.5 miles; and miscellaneous small extensions, 11 miles. That is a total of 140 miles.

MR. OLIVER: How does the department decide, in respect to their policy, as between the assumption of county roads and the offering to the county of this development road idea? If a county comes in and they say: "We want you to take this particular piece of road over into the highway system of the province," what determines your answer as to whether that road is assumed into the provincial system, or whether the county gets the deal in respect to the development roads—if the hon. Minister knows what that is?

HON. MR. ALLAN: I should say that our thinking is that, with the backlog of construction we have at the present time, we are not able to increase our mileage in any general way.

MR. OLIVER: Why does not the hon. Minister increase it?

HON. MR. ALLAN: What do we do with, say, the section of highway No. 401? A good deal of that road—

MR. OLIVER: There are others besides that.

HON. MR. ALLAN: Not very many. There are short connections or something like that, but we have taken over practically no county roads; and the reason is — and I say this very, very frankly and without any thought of criticism — that we still have county roads that were taken over in 1937 which we have not been able to reconstruct and which are still gravel roads.

We feel that we should clean up these type of roads and as I look across at the hon. member for Ontario (Mr. Dymond) I am reminded of how many times he has spoken to me about one in his riding. We feel we should clean up these roads before we do much more mileage on the King's highway system.

We feel that our mileage on the highway system is good and it does serve the province pretty well. What we need more than additional mileage is additional service to carry traffic to the various areas.

I believe I said before, when I was presenting my estimates, the plan assumes that in 20 years some 75 per cent. of our roads will be two-lane highways and will be able to adequately carry the traffic of that time. They will be rebuilt and will be better roads. The 25 per cent., where there is greater congestion of traffic, we feel the necessity is to add lanes and widen them rather than to increase length.

MR. OLIVER: The hon. Minister has just said they were not able to construct some of the county roads originally assumed. The hon. Minister is constantly going on, year after year, making deals with the counties, constructing county roads, and turning them back to the county. After the department builds a road up to its required standard, why would it not be a proper thing to take it into the provincial road system? I cannot see the hon. Minister's point of view on this.

HON. MR. ALLAN: In the first place, we do not do the work. Only under extraordinary circumstances,

where a good deal of engineering is required, do we do the work. The work is always done by the county, and that is why it is done in this way.

The counties, with their own organization, construct these pieces of road — and I might say that in almost every instance where a county has received development road money, it has been delighted to have the work financed, and such financing has enabled the county to build a road to a better standard than, perhaps, the county might have done with money available from its own funds.

MR. WHICHER: How many miles of that type of work — development roads — did the department do last year?

HON. MR. ALLAN: I am afraid I do not have the information. Some of it was township roads.

MR. G. C. WARDROPE (Port Arthur): On the development road programme, may I just mention this:

As far as we in northern Ontario are concerned, development roads are a great boon to us. The hon. Minister knows the highways development took over one development road in McIntyre, a year ago, and did a tremendous amount of work on it that the municipality could not afford to do. That road is now becoming a first-class road. Not so long ago, the same municipality stated it would like the department to take over another development road, because the construction force and money are not available.

These development roads — the programme which The Department of Highways is following — is very necessary at the present time in the northern part of the province, and we believe it should be continued.

This is because many of these roads, as the hon. Leader of the Opposition mentioned, cannot be taken into the provincial system at the present time because they are not yet needed as

provincial links. As far as we are concerned in northwestern Ontario, we are glad to see this development road programme carried on, and we hope to get a lot more consideration under that heading in the future.

Votes 604 and 605 agreed to.

Hon. Mr. Frost moves that the committee rise and report certain resolutions.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report certain resolutions and asks leave to sit again.

Motion agreed to; report adopted.

THE MARRIAGE ACT

Hon. L. M. Frost moves second reading of Bill No. 176, "An Act to amend The Marriage Act."

Motion agreed to; second reading of the bill.

THE MUNICIPAL ACT

Hon. Mr. Frost moves second reading of Bill No. 177, "An Act to amend The Municipal Act."

He said: I may say this bill arises out of the report of the air pollution committee, and it is after consideration that Dr. Evis is constituting a new section in The Department of Health to take care of this matter on a temporary basis.

I may say that I am not suggesting by word or inference that there will not be a commission to take care of this matter, but in the meantime there are some very difficult things in connection with this that have to be overcome.

One of the recommendations of the committee was that the exemptions in The Municipal Act should be removed. Under a not too long term, that is a

feasible and practicable thing to do. The difficulty is to remove that just by one stroke of the pen.

I can give this House a very good example within my own experience. Some 3 or 4 years ago, it may have been a little longer, there was some difficulty in the city of St. Catharines with the McKinnon Industries. I think the smelter they had in connection with their plant was giving off certain fumes and was causing some injury to a resident who operated a greenhouse.

One of the difficulties with the matter was that it impinged on the common law rights of the greenhouse man and it went through certain injunction proceedings. I think there were some 4,000 men who were either out of work or threatened with being out of work at that time.

I forget the expedient we adopted but I think we made arrangements, without any legislation, for the postponement of the matter. The McKinnon Industry people did not want to cause any damage and the matter was disposed of in that way.

This bill gives the Honourable the Lieutenant-Governor in Council the power to remove exemptions from the Act as they are able to examine it and see that no damage would be done.

There are certain things which I would think would be very desirable; for instance, smoke from train engines and buildings. If a reasonable time were given to them to correct that situation, with the understanding that the exemption was withdrawn and that the local by-laws would come into effect, that possibly would be one way of treating the problem. Some of those things will have to be dealt with as experience shows.

In the case of the east block of the Parliament buildings across the road, sometimes one sees a great quantity of black smoke coming out of the smokestack on top of that building. Steps are being taken now to remedy that, to prevent that from happening, and I think that will be one step in the direc-

tion of removing what is known as smog from the metropolitan Toronto area. That is a step which we have covered with Dr. Evis, which I believe is along the lines of this report.

There are other problems which we have in connection with fumes. There is the matter of sulphur fumes which has been mentioned in this Legislature on several occasions over a number of years. We are hopeful that, in the coming year, we can make arrangements for a better administration of that problem, which might meet some of the objections which appear to have some validity.

MR. A. COWLING (High Park): Mr. Speaker, may I add a word to what the hon. Prime Minister has said?

I certainly would like to congratulate him and the government on the action they have taken on our report. Often reports are made, they are considered, and that is the last one hears of them, but I sincerely believe the government intends to make an effort to do something about this problem of air pollution and smoke control.

As a matter of fact, I noticed that when the hon. Prime Minister used the words "air pollution" he sort of made a face, and I must say that I felt very much the same way about that phrase. They are not the most pleasant words to use, although they fit the situation, and hon. members of the House may be interested to know that, during the discussions of the committee, we were undecided whether to call this a "clean air report" instead of an "air pollution report." However, possibly "polluted air" better points up the subject than do the words "clean air."

This bill, which deals with the removal of certain exemptions — and there are several exemptions under the present law, such as brickyards and certain cement works and metal industries, as deemed advisable by the government — in the case of certain firms who have had this privilege, that privilege will be rescinded, and that is the way it should be.

I know it was never the intention of the committee that these things should be done in one "fell swoop." I think the idea suggested here is very sound, "at a reasonable time", which means that it will be done when it is felt it is not going to be harmful to industry, and certainly not going to put any persons out of work.

However, if reasonable deadlines are given, if certain co-operation is extended between local smoke abatement officers and industries affected in the area, I know we can achieve something that is going to be of benefit to everyone.

The most important thing of all, Mr. Speaker, is that this government is, at this session, taking very definite steps to clean up the air for citizens of the province now and in the future.

HON. C. DALEY (Minister of Labour): Mr. Speaker, I would like to say very briefly that I am particularly interested in this bill not only because of the incident which happened in my own city in the case of the big General Motors plant there, but in industry in general.

I do hope that the development of regulations which will deal with this problem will be realistic and will be given every consideration. I have always heard it said that it was a great thing when the smoke started coming out of the factory chimneys again, after the days of the depression. Now we do not want to proceed in such a manner that we have to have such pure air that industry cannot operate in this province.

I know of a firm which spent \$2 million endeavouring to correct a situation of this kind. The General Motors people spent hundreds of thousands of dollars to try to improve the situation, and they claimed that they were not harming the particular individual involved — either plant life or human life — but they evidently could not prove that. The complainant claimed that they were and he was able to justify it by showing some plants which had deteriorated, presumably from fumes.

I hope we will not barge into this thing at a pace that is going to scare the daylight out of any industry that might want to come here, by giving them the impression that they will be in difficulty unless they can operate with absolutely nothing coming out of their chimneys, because it is just not possible. If we are going to have industry, we are going to have some smoke. I think air pollution can be held to a limit, but we are going to have difficulty with some of this nuisance — we cannot get away from it.

I have heard it said here that for \$5,000 an industry could put a device on its chimney that would end this whole problem. From the experience I have had with these two big firms, I know that that is not so. I repeat, one firm spent \$2 million, and as I look at this plant now in passing, I do not think it is a great deal better than it was before the expenditure was made.

I think we have to realize that if we want industry, if we want progress, if we want work for men, there are some little difficulties we will have to put up with.

MR. R. MACAULAY (Riverdale): Mr. Speaker, just a word in addition to what has been placed before the House by the hon. Minister of Labour. He made reference to General Motors, and the hon. Prime Minister mentioned McKinnon Industries.

I want to point out that one of the strongest supporters of this bill is a former president of McKinnon Industries and of General Motors, who feels there is still a great deal more to be done about this.

Also, Mr. Speaker, they have learned in the United States that, in dealing with exemptions, there is no necessity to go from a condition of black smoke to an alternative of no work. Unfortunately, that is a wives' tale that has been given too much publicity. There is a great deal of common sense that could be applied to this problem, and I hope that the government will take a courageous step in this matter, and weigh in the balance

the rights and interests of all persons concerned.

Certainly people cannot be expected to be able to breathe such air as would be found in an infirmary, but at the same time *carte blanche* should not be given to industry to pollute the air, and I am very pleased indeed to see the government interesting themselves in the matter, and I hope they will be courageous in dealing with it.

MR. G. T. GORDON (Brantford): Mr. Speaker, I cannot agree with the hon. Minister of Labour that if we have industry we must have some smoke and dirt. He speaks of \$2 million being spent to correct an air pollution condition in connection with some industry.

In Los Angeles, we saw an industry that spent \$8 million in correcting the air pollution situation which existed there, and the reason they did so was that an industry cannot operate in California and have any air pollution whatsoever in connection with it. They cannot get away from air pollution in connection with automobiles and diesel trucks and so forth, but with industry they do not have any air pollution, and before industry locates there they are investigated. The engineers of the state of California investigate that industry to see that it will not create any air pollution.

MR. R. E. ELLIOTT (Hamilton East): Mr. Speaker, I just want to point something in connection with what the hon. Minister of Labour mentioned about the old days—that people felt an industry was prosperous if there was smoke.

In our trips to several municipalities and cities, we saw that that is absolutely not the case today. If an industry wants to spend money to clean up dirty smoke and so on, it can be done. In fact, in some cases it cost a matter of, as the hon. member for Brantford said, up to \$10 million.

I saw oil refineries, the General Motors plant in Los Angeles and the

General Motors plant in Detroit working 100 per cent. efficiently, absolutely without smoke. It can be done. Mind you, I think it will take probably 10 years for the metal industry—say the steel manufacturing plants—to reach the point of efficiency that they should. But it certainly can be done, there is absolutely no need for pollution, as has been proven. I have seen that they can operate any industry today with a very limited amount of smoke.

MR. J. F. EDWARDS (Perth): Mr. Speaker, following along the lines of what the hon. Minister of Labour said, I would like to extend an invitation to any industries which think they have a problem in connection with smoke, and to say that we would be very glad to have the smoke if we can get some industries in some of the smaller centres.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I am very glad the government has seen fit to bring in this legislation before the session ends. I think it is greatly needed.

The hon. Prime Minister says that, in introducing the legislation, we cannot expect to change overnight. That is quite true. After all this thing has to be tackled in a spirit of co-operation, but I do think that if the action of the government is vigorous enough, we can get some of these people to toe the line.

The hon. Prime Minister mentioned sulphur fumes, and I suppose he was referring to the Sudbury basin. There is a situation, Mr. Speaker, that the government really should do something about. The hon. Prime Minister mentioned compensation awarded. Here we have an illustration of the International Nickel Company paying into a fund \$500,000 every year for compensation to the farmers.

I think a corporation like International Nickel, large as it is, can do something much more than that, and I hope that when the government is investigating the different places around, they will pay particular attention to the situation

existing in the Sudbury basin, because the people there have been crying out long enough for something to be done by the government, and I hope the hon. Prime Minister will give some attention to it.

Motion agreed to; second reading of the bill.

Hon. Mr. Frost moves that Mr. Speaker do now leave the chair and that the House resolve itself into committee of the whole.

Motion agreed to.

House in committee of the whole, Mr. C. E. Janes in the chair.

HON. MR. FROST: Mr. Chairman, I beg to inform the House that the Honourable the Lieutenant-Governor, having been informed of the subject matter of certain proposed resolutions, recommends them to the consideration of the House.

CLERK OF THE HOUSE: Resolution by hon. D. Porter: *Resolved that:*

the Lieutenant-Governor in Council may authorize the Treasurer of Ontario to pay out of the consolidated revenue fund moneys to purchase any debentures of the commission, and to make advances to the commission in such amounts, at such times and on such terms and conditions as the Lieutenant-Governor in Council may deem expedient.

as provided by Bill No. 164, The Ontario Water Resources Commission Act, 1957.

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. Mr. Porter: *Resolved that:*

the Lieutenant-Governor in Council may authorize the Treasurer of Ontario for and on behalf of the province to guarantee the payment of the principal of and interest on any debentures issued by the commission; the prov-

ince is liable for the payment of the principal of and interest on the debentures guaranteed, according to the tenor thereof, and the Lieutenant-Governor in Council is authorized to make arrangements for supplying the money necessary to fulfil the requirements of the guarantee or guarantees and to advance the amount necessary for that purpose out of the consolidated revenue fund,

as provided by Bill No. 164, The Ontario Water Resources Commission Act, 1957.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, may I ask the hon. Provincial Treasurer if it is his intention now that the commission issue bonds in the first instance, and then the government buy them back from the commission? Has the government any policy in respect to how the commission's operations will be financed?

HON. MR. PORTER: We have considered it from various points of view, and we think that perhaps the best way would be to have the commission issue bonds and we would guarantee them.

However, during the early stages we may prefer to make direct loans to the commission.

MR. WINTERMEYER: Thank you.
Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. Mr. Porter: *Resolved that:*

the Lieutenant-Governor in Council is hereby authorized to raise, from time to time by way of loan, such sum or sums of money as may be deemed expedient, and any such sum or sums may be raised in any manner provided by The Financial Administration Act, 1954, and shall be raised upon the credit of the consolidated revenue fund and shall be chargeable thereon,

as provided by Bill No. 175, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Resolution concurred in.

THE CEMETERIES ACT

House in committee on Bill No. 85, An Act to amend The Cemeteries Act.

MR. R. WHICHER (Bruce): Mr. Chairman, a very general question: is there anything in this Act that prohibits the board from buying any amount of land when they see fit to do so?

HON. M. PHILLIPS (Minister of Health): Mr. Chairman, all they have to do in that case is to apply to The Department of Health through their counsel, and if additional land serves any purpose it is very seldom that the application is denied.

Sections 1 to 8, inclusive, agreed to.

On section 9:

MR. G. T. GORDON (Brantford): Mr. Chairman, I have been handed an opinion on section 9 by people who are interested in The Cemeteries Act. In their opinion it is an invitation for unscrupulous promoters to carry out a high pressure campaign of lot sales, and then avoid the payment of the perpetual care fund by bringing an action against the cemetery for the reduction of the debentures. They believe a director or owner of a cemetery should be held responsible for the payment of moneys into the perpetual care fund, even after they have severed connections with the cemetery.

The case is cited of the Primrose Memorial Cemetery at Sarnia, in which case a cemetery was organized by 5 people who had no substantial previous cemetery background. After approximately two years, the company was placed in the hands of a receiver, and the perpetual care fund was left with

a shortage of approximately \$25,000 and with no hope of it being paid unless an effort was made to hold the 5 promoters personally responsible.

This section does not hold such promoters responsible for what should have gone into the perpetual care fund. I know that the select committee on cemeteries was set up because of complaints such as this, and because of the activities of a certain type of cemetery operator who promoted cemeteries.

At the same time the perpetual care fund was set, I think, at 35 per cent. of the amount paid in, and when it is not paid in, those responsible for the promotion of the cemetery concerned should be held responsible, and the \$25,000 in the case I referred to should be paid in this manner.

The owners of this cemetery are guilty of a breach of trust, and it seems they are getting away with it. One of the former owners is now a real estate broker, and two are real estate salesmen.

Will they be allowed to abuse the real estate fund in the same manner as they have abused the cemetery trust fund? The same people were for a short time the owners of the Elgin Cemetery Company in St. Thomas, and the same pattern of abuse was followed. Is this bill going to clear up this cemetery perpetual care fund?

HON. B. L. CATHCART (Minister of Travel and Publicity): Mr. Chairman, I do not want to take over from the hon. Minister of Health, but it so happens that the Primrose Cemetery is in my riding, and I am familiar with what took place there in the old days.

This Act is to clear up and take care of the situation that the hon. member has just described for us. Insofar as I know, the original operators of the Primrose Cemetery are not to be found. They cannot be located, and if they could be, there is nothing at the moment that I know of that could be done to protect the people who are shareholders in that cemetery.

Personally, it was at my request that the government gave consideration to this particular Act, so that we could clear up the situation that now exists in relation to the Primrose Cemetery.

MR. GORDON: How does this section take care of that now?

HON. MR. CATHCART: The present owners of the plots purchased them on a payment plan. They did not buy them outright. They bought them on a payment plan in the majority of cases, and because of what has taken place in the operation by the original owners, they did not set up a fund to protect it on into perpetuity—at least, the guarantee of continuance of perpetual care.

MR. GORDON: But the Act says they are provided out of every payment that is made.

HON. MR. CATHCART: Through this Act, that is exactly what we are doing. That is exactly why the Act is on the books today and presented to this Legislature. In the future we will have that protection, but we did this to permit this trusteeship to carry on, to keep this cemetery in a responsible situation where we would hope it would continue to be an operation that would be providing a service that probably we need.

If the hon. member drives up there, as far as the work on the cemetery is concerned, it presents a very nice picture. They did do a lot of work. The original owners of it failed to do the very things that would protect the shareholders.

This Act is put before this House to protect in the future those people who may purchase lots in commercial cemeteries. It takes care of the very thing the hon. member has brought up.

MR. GORDON: The cemetery may look beautiful. Those cemeteries generally do. As I said before, the reason

for the select committee being appointed was because of the operations of that kind of cemetery. At the present time \$25,000 is missing from the perpetual care fund, and the hon. Minister says these people cannot be located. They are evidently in the real estate business today.

HON. L. M. FROST (Prime Minister): That was one of the reasons the committee was set up in the first place.

HON. MR. PHILLIPS: Does not the hon. member want the province to protect these people?

MR. D. C. MacDONALD (York South): That is a very peculiar situation in light of the facts at the moment.

Let me start out this way. I agree that the Act has taken some steps towards coping with a very bad situation; namely, the licencing of these agents who are going around using extremely high pressure methods and so on.

But what I am puzzled about it is why the government is so hesitant in taking two or three other steps towards putting this on a regularized basis, so that those people who put money into it by prepaid services are going to have some sort of protection. The hon. Minister of Travel and Publicity has indicated that this section is going to give the protection that is required. Mr. Chairman, I respectfully submit it is not going to do it.

HON. MR. FROST: He did not say that. This section was inserted to take care of the problems of some of the cemeteries that were in difficulty when the inquiry took place, and as a result of which this Act was originally passed.

The purpose of this section is not to deal with cases in the future, because we hope that those cases will not arise; but it is to enable the adjustment of matters with the cemeteries that are in difficulties, and were in difficulties when the committee sat. That is the purpose.

MR. MacDONALD: My point is this: so far, so good. But the government has taken only a feeble step in the direction it should go.

For example, what has been done here, if I read this correctly, is to say that by order-in-council, or by executive council, we can determine the amount of money that must go into perpetual care.

I heard a figure of 35 per cent. being used. Let us take that figure. Supposing moneys come in and 35 per cent. is set aside in the perpetual care fund.

What I want to bring to the attention of the hon. members of the House for a moment is the remaining 65 per cent. This is the important part. There is no protection at all for what happens with this remaining 65 per cent., and this is an anomalous situation that I suggest to the government, we have these companies that come in now—

HON. MR. FROST: I would point out to the hon. member for York South—

MR. MacDONALD: May I make my case?

HON. MR. FROST: If the hon. member would not make such a long statement, I will explain the situation.

MR. MacDONALD: The situation at the moment is that the 65 per cent. which may be paid—the part that is not going into the perpetual care fund—is for the most part prepaid for services which may not be delivered for 15, 20, 30, even 40 years hence, because what is happening is that the plots in the so-called memorial garden cemeteries are being sold to young couples who may be 20, 25, 35 years of age.

HON. MR. CATHCART: Not necessarily to young couples. Down in Primrose Cemetery, in the majority of cases, elderly people have been buying those lots. Let us stick to the facts.

MR. MacDONALD: Here is a different one. I can take the hon. Minister to one in Brantford, for example, where the Brantford *Expositor* pointed out in a story—

HON. MR. CATHCART: Well, the hon. member was talking about Primrose Cemetery; he should stay on it.

MR. MacDONALD: I am talking about the problem, of which the Primrose Cemetery is a small part.

In the Brantford case, they were going to come in and build what is called a "workmen's cemetery." They bought 25 acres and divided it into 800 plots. The plots were going to be sold for \$85, and it would mean they could bury in this place 20,000 people and have a gross income of \$1.7 million for a 25-acre area.

Supposing they paid \$1,000 or \$1,500 an acre, there is a rather large juicy profit in this kind of set-up.

Supposing we carry the problem I want us to look at into this cemetery—the problem of the money that comes in. Of this, 35 per cent. is set up for perpetual care, but what happens to the other 65 per cent. which is paid in lots? In some instances, it is paid for the services of opening the graves, for markers, for a lot of other items. Under modern selling procedure, people are persuaded they should buy these services when they are 35 or 40 years of age, but they trust they may not need to avail themselves of them until they are 65 or 70 years of age.

There is no trust arrangement at all for this money. In fact, one of the other unfortunate aspects of the thing is that older couples in some instances, or younger couples, have been high-pressured into signing slips of paper and then they discover they got themselves into a rat-race of making payments for a long time, and on mature second thought they decide they do not want it, particularly when they get threatening letters that they are going to be taken into court.

I could give to the hon. members a good many instances here of the kind of high pressure procedure that is going on. If they are taken into court and they say, "Take the money, take the plot, I do not want it, I am not interested in paying the remainder of it", then the operators sell it again.

AN HON. MEMBER: The select committee was told about it.

MR. MacDONALD: Certainly, the select committee was told about it. I suggest we have long since passed the time, not only when we should regularize the procedures of these salesmen by stricter licencing, which the government has moved to do, but we should go further and establish some sort of control over the money which is held in trust for these people.

We have these arrangements with regard to insurance companies, as was pointed out in the health committee when the bill was considered the other day, and I submit there is just as much, if not more, reason for that kind of protection of people's money paid in trust, in effect, as there is in the case of insurance companies.

There are other aspects of it which, I think, are somewhat less important than the monetary control I have mentioned. For example, one can only buy certain markers, and it is discovered that these markers happen to come from sources controlled by the owners of the cemetery.

There is another situation that was pointed out in the committee, regarding people who were operating from tax-free land in competition with other business which have to pay normal business taxes—competition for markers, bronze markers instead of granite or some other kind of memorial stone.

All this, I think, should be looked into. But at the top of the list should be the proposition of protecting the 65 per cent. which must be put into the perpetual care fund.

I submit to the hon. Minister of Travel and Publicity that this amendment does not even touch that type of thing, in fact, it might even open the door to a worse kind of arrangement, because if the 65 per cent. is not handled carefully and the concern goes broke, if I understand this section correctly, then it can go back to using the perpetual care fund to keep the cemetery operating.

HON. MR. CATHCART: In section 5, it goes on to say that The Cemeteries Act of 1954 is further amended by adding thereto the following clause:

fixing the amount of type of bond or insurance that shall be furnished or carried by persons selling cemetery lots.

MR. MacDONALD: That is nothing by way of a trust fund.

HON. MR. CATHCART: That gives us protection from that angle, and further to that, in subsection 3, subsection 1 of section 8 as amended, to require cemetery owners to supply financial and other information prescribed by the regulations to owners of cemetery lots and such other persons as the regulations so prescribe.

I would think those two sections and subsections do change the situation to the extent to where, at least as a corporation, they must contribute information to the hon. Minister of Health and to the shareholders to let them know.

MR. MacDONALD: It does not meet the problem I raised.

HON. MR. FROST: This has to be read in conjunction with the other; this is an amendment to The Cemeteries Act and the two must be read together. As a matter of fact, the powers in it are very broad indeed.

HON. MR. PHILLIPS: Mr. Chairman, first of all we have the recommendations from our select committee,

then we set up our cemetery committee under the chairmanship of Mr. Flavell, and we have tried our best to plug all these holes which the hon. members have been mentioning. I would just like the hon. members to listen to this short brief:

The most significant change effected by this bill is in relation to the sale of cemetery lots, services and supplies, and more particularly by commercial cemetery organizations. The bill deals with this problem in several ways, including where lots are sold. The department must be satisfied that the cemetery has been developed to a proper state to be used for interments.

If 4 lots are sold, the owners will be required to set aside a substantial amount for perpetual care in respect of each acre to be sold.

All salesmen must be bonded.

The owners will be required to permit installation and direction of cemetery supplies by owners of such lots, and upon such conditions as regulations may prescribe.

Then the Act states, that there must be an audit of this 65 per cent. and 35 per cent. every two years.

In the number of provisions of that bill in this regard, it is felt this will overcome most of the difficulties in respect of the maintenance and operation of commercial cemeteries.

Then, in addition to the foregoing, it is proposed that in future the approval of the municipal council, instead of the local board of health, will be required as to the establishment or enlargement of a cemetery. That is the local board of health.

However, the owner of a cemetery will not be required to use the perpetual care funds for the preservation of monuments and enclosures in a cemetery, but this provision has been made permissive, so the owner may do so if he so desires. I think that covers the whole situation.

HON. MR. FROST: Mr. Chairman, in connection with the commercial ceme-

tery, the "memorial gardens", so called, we gave a great deal of deliberation to the matter of ending that type of cemetery entirely. As a matter of fact, that was perhaps my own view of it. Why is this type necessary?

However, in going into the matter very fully, we found there were some places where there was a very real need for that type. I think that was so in the Ottawa area and it would not be desirable to place a positive ban on that type of cemetery.

On the other hand, I think the regulations and powers under this Act are such that it will be quite possible to control the location and areas where these cemeteries may come into being, and I think the standards will be so high that it will not be necessary — or it will not be possible — to have any of those fly-by-night cemeteries where an organization puts on a campaign and then finishes and leaves. It will confine these cemeteries to areas where the advisory board and the department feels it is necessary.

I feel there are real controls in this matter at the present time. The problem of tombstones was mentioned. By the regulations, the owners cannot prescribe that they be bought from a certain person. As a matter of fact, I think there is a general ban on that sort of dealing now.

MR. MacDONALD: May I ask the hon. Prime Minister this question, and perhaps this will finalize the thing for a moment. Does the hon. Prime Minister feel that this two-year audit, combined with the bonding of the salesmen, is sufficient to provide protection of the funds in trust for years to come?

HON. MR. FROST: We have a very able advisory committee now which is in operation, and these men went over this thing in a very painstaking way, and this was their opinion. As a matter of fact, most of the recommendations coming to the House are worked out by that committee. I think their judgment is very sound.

MR. T. D. THOMAS (Oshawa): I might say, Mr. Chairman, that in the city of New York or state of New York — and there I suppose would be as much need for this type of cemetery as in Ottawa — these people have been driven out of business, they are not allowed to operate at all.

There is one question I would like to ask the hon. Prime Minister: Has the department control over the price which is charged for the cemetery people for a lot?

HON. MR. PHILLIPS: Would the hon. member repeat that, please?

MR. T. D. THOMAS: Do the cemetery operators have to have permission from the department before they can increase the price of a lot?

HON. MR. PHILLIPS: Yes.

MR. T. D. THOMAS: How many of them applied to the department this past year?

HON. MR. PHILLIPS: Well, that is a very difficult question; I can get the answer, but I might say it is very few.

MR. T. D. THOMAS: I know some have increased their prices, and I would like to know if they had permission from the department.

HON. MR. PHILLIPS: I would have to get the answer to that question, but I do not think there have been very many.

MR. T. D. THOMAS: In the matter of these bronze plaques, there was a salesman who gave information before the committee, and he said these plaques weighed about 30 pounds and the bronze cost only 60 cents a pound, which would be \$18 apiece, and yet they were selling anywhere from \$125 to \$300.

HON. MR. FROST: May I ask this: What about the workmanship?

MR. T. D. THOMAS: I proceeded a little further with that very question, and I went to a firm of pattern makers to find out how much a plaque would actually cost with an inscription on it, and they told me they would be very pleased to get an order, and they apparently will take it, mould it, put the inscription on it, and charge \$50 apiece. I think these are some of the things at which we should take a look.

HON. MR. PHILLIPS: Would they do that and put in the foundation for the plaque as well?

MR. T. D. THOMAS: I do not say the foundations, but the foundations would not cost very much.

HON. MR. PHILLIPS: That is the important part of the cast. That is why these stones are all falling down.

MR. T. D. THOMAS: It is only concrete. One can buy a lot of concrete for \$10.

Sections 11 and 12 agreed to.

Bill No. 85 reported.

THE CHARITIES ACCOUNTING ACT

House in committee on Bill No. 97, An Act to amend The Charities Accounting Act.

Sections 1 to 3, inclusive, agreed to.

HON. A. K. ROBERTS (Attorney-General): I would like to move an amendment to sections 4 and 5, that Bill No. 97 be amended by striking out sections 4 and 5 and by renumbering sections 6 and 7 and sections 4 and 5.

Sections 4 and 5, as amended, agreed to.

Bill No. 97 reported.

THE MUNICIPAL UNCONDITIONAL GRANTS ACT, 1953

House in committee on Bill No. 103, An Act to amend The Municipal Unconditional Grants Act, 1953.

Sections 1 and 2 agreed to.

HON. MR. FROST: I may say that I do not want this bill, which deals with such a sweeping revision of the system in regard to estate taxation, to pass without comment, and I point out that already we are having, in the province, cases where the taxes on homes and farms have been reduced by 4 or 5 mills, in some cases more than that; in some cases the mill rate has been reduced by 10 and 15 mills as a result of this legislation which is designed to help the little man in this province.

I would not like such an Act, dealing as it is with the fundamentals of real estate taxation problems, to pass without comment.

MR. WHICHER: I would take the position that the hon. Prime Minister is a little biased there. The facts, of course, are these, that in many places in the province the difference in the mill rate on residences and business properties is 4 or 5 mills. That is where the hon. Prime Minister makes the difference. It does not mean that.

The tax on residential property has been reduced by 4 or 5 mills over last year. I made a very close study in my own county over the week-end, and I find in the tax rates that have been set for the year 1957 — for example, in the little town of Chesley the mill rate was 50 mills; this year for residential it is 51, and for businesses it is 56. I point out to the government that it is not a reduction of 4 or 5 mills.

HON. G. H. DUNBAR (Provincial Secretary): What would it have been in 1956 if it were not for this?

MR. WHICHER: What it is is this: It is a differential between business and residential of 4 mills; and I might point out to the hon. Prime Minister that, while I can whole-heartedly support the assistance whereby the residential owner is helped — which this Act certainly provides — nevertheless even although the small business man can charge this up against his taxes as a legitimate expense, there are many small businesses in this province that have not got too much money to charge up to expenses, and in many of the smaller towns of our province there is a considerable increase in municipal taxation, and some of them are doing quite a bit of grumbling about it.

MR. G. LAVERGNE (Russell): I would like to point out here that in my own municipality of Eastview this year, if it had not been for the generosity of this government, our mill rate would have had to go up at least 3 or 4 mills.

Once again I repeat that, due to the generosity of this government, our mill rate for residential properties has been reduced by 3.6 mills in the municipality of Eastview, and we saw ourselves faced with an increase. Instead of that it had been reduced.

Once again, insofar as the generosity of The Department of Education is concerned, both in public and separate schools, we have maintained our mill rate due to the generosity of this government. That is in our municipality.

HON. MR. DUNBAR: I would like to point out that it appeared in the *Ottawa Citizen* — as I pointed out to the hon. Prime Minister a few moments ago — that the difference in the mill rate on the residence and on the business section is not even 4 mills; that is to say, the tax rate has gone up 1.70; at the same time it would have been 5.70 had it not been for this money.

HON. W. K. WARRENDER (Minister of Municipal Affairs): I move that section 3 of Bill No. 103 be

struck out, and the following substituted therefor:

3(1). This Act, excepting section 1, shall be deemed to have come into force on the 1st day of January, 1957; and section 2, subsection 1, to come into force on the 1st day of April, 1958.

The explanation there is that the estimates of this year provide for statutory payments of grants under this Act out of the consolidated revenue fund. It is therefore necessary that the section providing that the grants are to be paid out of moneys appropriated by the Legislature be brought into force on April 1, 1958.

Section 3, as amended, agreed to.

Section 4 agreed to.

Bill No. 103 reported.

THE HIGHWAY TRAFFIC ACT

House in committee on Bill No. 108, An Act to amend The Highway Traffic Act.

Sections 1 to 3, inclusive, agreed to.

On section 4:

MR. GORDON: Mr. Chairman, on section 4, I spoke to this section in the committee, and I feel I should speak about it again, because the select committee on highway safety recommended, and I read their recommendation:

Any motor vehicle offered for resale by a person licenced to deal in motor vehicles be required to carry a certificate of roadability and of mechanical fitness signed by a qualified licenced mechanic.

I think when they were revising The Highway Traffic Act by way of amendment, that at least that should have been added where it says "dealer" and "motor vehicle mechanic."

If one tries to insure a motor vehicle of the 1940 vintage, we will say, the insurance company will not grant insurance until an automobile inspection report is presented, which asks 17 questions and has to bear the name of the dealer and the mechanic.

Now, the name of a dealer does not mean very much, he gets fined \$50 and that is all there is to it. He can still operate. But if the mechanic signs such a certificate, he is liable to lose his mechanic's licence, and a mechanic will not take any chances like that.

What is happening in the used car business is not very good. There have been quite a large number of inspections which were made on cars, and even in the case of the 1954 variety they were not capable of going safely at 50 miles an hour. Nevertheless, they were being sold and signed for by the dealer as being of roadability standard.

I think to make it safe, this section should be further amended, and the dealer and the motor mechanic be the ones to sign the certificate, as recommended by the highways committee in their report to the Legislature.

HON. J. N. ALLAN (Minister of Highways): Mr. Chairman, this section was given a great deal of consideration and we came to the conclusion, after such consideration, that this was a stronger section than if we had adopted the suggestion of the hon. member for Brantford in that the liability is definitely tied to the person who sells the car.

It was felt that upon the advice of those who frame legislation, it was leaving too much of a loop-hole for the person who sold the car, by placing the responsibility on an uninterested person such as a mechanic. Further, may I point out that the penalty, as is noted in the Act, is a minimum of \$50 and a maximum of \$300.

MR. GORDON: But, Mr. Chairman, the dealer only gets a permit from his local municipality to deal in cars,

whereas a mechanic has to pass an examination, taking, I think, 3 years before he gets his licence to be a mechanic.

The dealer therefore has nothing to lose, but a mechanic could lose his permit to operate if he signs such a certificate. So no mechanic would sign a certificate of that kind.

The insurance companies protect themselves, and I think we should too, if we are interested in highway safety.

Sections 4 to 16, inclusive, agreed to.

On section 17:

MR. WHICHER: Mr. Chairman, on section 17, is the hon. Minister going to say anything about this further fee of \$5 "which shall be paid into and form part of the unsatisfied judgment fund"? We have had a number of references to this in the papers and so forth, and I would like to hear the hon. Minister say something about it in the House.

HON. MR. ALLAN: Mr. Chairman, this point was discussed in committee and was given practically unanimous support. The charge of \$5 is of course to make a greater contribution of money to the unsatisfied judgment fund to permit increased payments from that fund.

As hon. members know, payments in the former section have been increased from 5, 10 and 1,000, to 10, 20 and 2,000.

Part of the reason this fund was necessary was that certain persons were driving vehicles which were uninsured, and it was felt they should make an extra contribution to the fund in order to keep the same solvent, and at the same time to pay out more reasonable amounts to those who had suffered either personal injury or property damage.

MR. WHICHER: Could I ask the hon. Minister a question? I grant that this is a great improvement, 10, 20 and

2,000, but in buying insurance policies, the additional cost to make that, say, 50 and 100, is very little.

HON. MR. FROST: It would be in this case.

MR. WHICHER: That is what I was going to ask. How much more percentage would it be, say, to make it 20 and 40, instead of 10 and 20?

HON. MR. ALLAN: That would have to be figured out actuarially, of course, but it is felt that this is a great improvement and much greater help to those who are entitled to receive payments from the fund. Of course, we feel we should go along with this and see what our experience is.

The experience for the fund as it is now has been that the payments are almost perfectly set to keep the fund solvent, there has been no great amount of money accumulated in the fund, but it has been always possible to meet such payments as were approved from the fund.

MR. R. MACAULAY (Riverdale): Mr. Chairman, may I ask the hon. Minister a question? What does he have in mind by way of satisfying the registrar? It says: "Unless the registrar is satisfied", one pays \$5. What about a man who says, "Yes, I am insured" and it turns out that he is not insured; what is going to be done about a man like that?

HON. MR. ALLAN: He is going to be required to furnish definite information — to furnish a certificate, from an insurance company indicating that his vehicle is insured.

MR. MACAULAY: From the insurance company?

HON. MR. ALLAN: From the insurance company.

MR. MACAULAY: And then, has the hon. Minister taken into considera-

tion the case of a man who is insured today and may not be insured tomorrow?

HON. MR. ALLAN: Of course, that is one of the problems. The man agrees, where there is compulsory insurance, that he will keep the car insured. But if the hon. member has noticed, in New York city where it is being tried for the first time this year, it is suggested that a very great many persons have not kept their insurance. That is one of the problems.

MR. MACAULAY: Well, that man who qualified, perhaps on Monday, could not qualify on Tuesday.

HON. MR. ALLAN: I think that is a problem we will have to study. I do not think it will exist to any great extent.

MR. F. R. OLIVER (Leader of the Opposition): With respect to the question raised by the hon. member for Riverdale, will there be a follow-up at a stated interval to see whether or not a man has insurance, or how does the hon. Minister plan to do this?

MR. MACAULAY: Well Mr. Chairman, I was thinking more of the man who says he is insured and on Tuesday he is not insured. As I understand it now, he will have to have a certificate, which is "okay", that covers that situation. But what about a man who produces a certificate which he knows is going to expire on Wednesday, and still he is applying? What is going to be done in the case of a man like that? Or suppose he cancels it the afternoon after he gets his permit?

Could we not do something about a man who becomes involved in an accident and who has stated that he has insurance and then, knowing that it will lapse, or that his premium is not paid, or he intentionally has cancelled, could we not have some kind of power in the department to take that man's licence away from him, or some action of that nature?

HON. MR. ALLAN : We would have the power to suspend his licence. That will in all likelihood be taken care of in the regulations.

MR. MACAULAY : Has the hon. Minister the power now to suspend a man's licence if he gives false information?

HON. MR. ALLAN : Yes.

MR. MACAULAY : That would be something, then.

Section 17 agreed to.

On section 18 :

MR. WHICHER : Mr. Chairman, I would like to have the hon. Minister say something about a subject which I believe came up in the committee. I am not a member of that committee myself, but I am referring to compulsory insurance.

HON. MR. FROST : Mr. Chairman, may I say that in connection with section 18, there is a resolution on the order paper which can be discussed tonight, and which will cover the whole subject of insurance at that time.

MR. WHICHER : Thank you.

MR. OLIVER : Then may I ask the hon. Minister, on the basis of the registration last year, how many uninsured drivers were there in the province?

HON. MR. ALLAN : Does the hon. Leader of the Opposition mean uninsured vehicles?

MR. OLIVER : Vehicles, or whatever way the record is kept.

HON. MR. ALLAN : It is estimated that about 20 per cent. of vehicles are uninsured.

MR. H. C. NIXON (Brant) : Do I understand from what the hon. Minister said that, when we apply for our licences and claim to be insured, that we will have to produce a certificate from the insurance company?

HON. MR. ALLAN : That is true.

MR. NIXON : Everybody who claims to be insured will have to do that?

HON. MR. ALLAN : That is right.

MR. NIXON : The hon. Minister will not take our word for it any more?

HON. MR. ALLAN : No, sir, not even the word of the hon. member for Brant.

MR. A. GROSSMAN (St. Andrew) : Mr. Chairman, I hope that my being in the insurance business will not lead anyone to consider that I have a financial interest in this question, but I would like to point out that, when anyone is issued an insurance policy, he always gets a small certificate which is meant to fit into the wallet and which explains to anyone that he has insurance of this sort. There is therefore no new procedure required for that purpose, that is now in existence.

MR. NIXON : Yes, but we have never been required to show those before.

HON. MR. ALLAN : The type of certificate will be specified in the regulations.

Sections 18 to 24, inclusive, agreed to.

Bill No. 108 reported.

HON. MR. FROST : Mr. Chairman, I move that the committee do now rise and report certain bills with and certain bills without amendments, and certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole reports two bills with amendment, two bills without amendment, and certain resolutions; and begs leave to sit again.

Motion agreed to; report adopted.

HON. MR. FROST: Mr. Speaker, I would ask you to revert to the item of motion. I may say it came to my attention after the sittings commenced this afternoon that, to the committee on privileges and elections, were subsequently added the names of Messrs. MacDonald, York South, and Fishleigh, Woodbine.

Mr. Fishleigh, the hon. member for Woodbine, drew this to my attention, and I beg to move, seconded by hon. Mr. Porter, that the name of Mr. Fishleigh, Woodbine, be removed from the committee on privileges and elections, and the name of Mr. Yaremko, Bellwoods, be substituted.

Mr. Fishleigh's position was that, appearing before the committee, he did not want to sit on judgment on himself. If the hon. member for York South feels the same way, I would make a similar substitution in his case, if he would give me a nomination.

Motion agreed to.

HON. MR. FROST: I may say to the hon. member for York South, I am giving him the opportunity of removing himself from the anomalous position of sitting in judgment on his own charges, but if he wants time to think that over, I can move at any time before the House rises tonight. But I point out that that is the situation now, Mr. Speaker.

Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole, Mr. C. E. Janes in the chair.

THE SUCCESSION DUTIES ACT

House in committee on Bill No. 118, An Act to amend The Succession Duties Act.

HON. MR. PORTER: Mr. Chairman, I move that Bill No. 118 be amended by striking out section 1, and re-numbering sections 2, 3 and 4 as sections 1, 2 and 3 respectively.

MR. NIXON: Will the hon. Provincial Treasurer explain why he is doing that?

HON. MR. PORTER: Yes. As I explained on the second reading, I announced that I would do this.

Section No. 1 in this bill arose as a result of a decision of the Supreme Court of Canada in the Hatch estate case. That involved a trust that was set up, and in that case it had to be within the 5-year period, so that a question arose then as to the valuation of the trust, as to whether it should be the date that the first contribution was made to the trust, whether it should be the value at that date, or whether it should be the value of the trust assets at the date of the death.

The Supreme Court held it should be at the earlier date.

In that case, it meant some loss of revenue to the government. On the other hand, that is all a matter of what happens to the stock market. The other way around, if there had been a loss, the government would gain if the value was the value at the date the money was put into the trust in the first place.

The practice in the government has generally been to regard the interpretation of the section as defined in this formerly proposed amendment, and the Supreme Court in effect reduced the practice that they had generally followed. I may say, there were very few cases arising that involved this point because it is very seldom that this particular set of circumstances arises within

the 5-year period before the death of a person.

Since this was proposed, we have given further consideration to it. We find an attempt to change the law as interpreted by the Supreme Court might involve a number of complications and perhaps further litigation, if we were not careful. We decided to accept the interpretation of the court and not attempt to change it.

Section 1 agreed to.

Section 2, formerly section 3, agreed to.

Section 3, formerly section 4, agreed to.

Section 4, formerly section 5, agreed to.

Bill No. 118 reported.

THE SHERIFFS ACT

House in committee on Bill No. 126, An Act to amend The Sheriffs Act.

Sections 1 to 3, inclusive, agreed to.

Bill No. 126 reported.

MR. WHICHER: Mr. Chairman, just a word on Bill No. 126. I wonder if I could ask the hon. Attorney-General (Mr. Roberts) a question.

I do not know whether this comes under "An Act to amend The Sheriffs Act" or not, but inasmuch as the province through The Unconditional Grants Act is now giving \$1 per capita so that municipalities accept the administration of justice costs, does the province still continue to pay the sheriff or does the county have to pay him?

HON. MR. ROBERTS: Actually, the effect of this amendment is as follows:

Where the sheriff collects certain fees of the office — in other words, the sheriff's office is a self-supporting office, generally speaking — he could

collect these fees, and then he pays the balance over in accordance with the Act concerned.

Or, he can enter into a contract with the county for a fixed amount instead of fees that he would collect that are referable directly to the county's proportion.

One would have to go back and take a look at the schedules where these fees are authorized to determine as between the county and the sheriff whether it is better for a fixed amount to be named and for him to take those fees, but that is only a part of the total of fees that are collected in the sheriff's office, and generally speaking, the net proceeds come into the provincial government.

MR. WHICHER: My question was this. In the past, the hon. Provincial Treasurer has always paid the sheriffs of the counties.

HON. MR. PORTER: That is right.

MR. WHICHER: Under this new Unconditional Grants Act, will he still continue to pay them?

HON. MR. ROBERTS: Yes. But the effect is, there are certain fees that he is entitled to as between himself and the county, and this provision merely makes it possible for the county and the sheriff entering into some agreement for the convenience of determining a fixed figure rather than dealing in some variation in the fees. That is the only effect of this that I know of, but it fits into the several bills and to this grant appropriately.

But purely, as I understand it, it is a matter for the county to determine with the sheriff with respect to those particular fees which either the county would get the benefit of and the sheriff be paid the salary, or what the sheriff would be entitled to be paid by the county.

As I say, one must look at the schedule of fees to see which ones are in that category and which ones are in the general category that apply between the sheriff and the province.

THE CHAIRMAN: It being now 6.00 of the clock, I do now leave the chair.

It being 6.00 of the clock, the House took recess.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, April 1, 1957

Evening Session

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Monday, April 1, 1957

Public Hospitals Act, 1957, bill intituled, reported	1889
Factory, Shop and Office Building Act, bill to amend, reported	1889
Operating Engineers Act, 1953, bill to amend, reported	1889
Part of the Westerly Boundary of the Township of Faraday, bill respecting, reported	1889
Game and Fisheries Act, bill to amend, reported	1889
Municipal Tax Assistance Act, 1952, bill to amend, reported	1889
Ontario Municipal Improvement Corporation Act, bill to amend, reported	1889
Ontario Cancer Treatment and Research Foundation and Ontario Cancer Institute, bill to reconstitute, reported	1890
Ontario Water Resources Commission Act, 1957, bill intituled, reported	1890
Hospital Services Commission Act, 1957, bill intituled, reported	1890
Department of Transport, bill to establish, reported	1896
Liquor Licence Act, bill to amend, reported	1896
Liquor Control Act, bill to amend, reported	1898
Municipal Act, bill to amend, reported	1898
Ontario Municipal Board Act, bill to amend, reported	1899
Registration and Regulation of Children's Boarding Homes, bill to provide for, reported	1899
Public Health Act, bill to amend, reported	1900
Pharmacy Act, 1953, bill to amend, reported	1900
Municipality of Metropolitan Toronto Act, bill to amend, reported	1900
Raising of Money on the Credit of the Consolidated Revenue Fund, bill to authorize, reported	1901
Ontario Fuel Board Act, 1954, bill to amend, reported	1901
Motion to appoint a select committee to examine The Municipal Act, The Municipal Board Act, and The Assessment Act, Mr. Oliver	1905
Amendment to Mr. Oliver's motion, Mr. Warrender, carried	1910
Motion to create a fur marketing authority, Mr. Wren	1915
Amendment to Mr. Wren's motion, Mr. Frost, carried	1920
Motion to establish a public automobile accident insurance plan, Mr. T. D. Thomas	1920
Amendment to Mr. T. D. Thomas' motion, Mr. Allan, carried	1925
Motion to substitute Mr. Gisborn for Mr. MacDonald on committee on privileges and elections, Mr. Frost, agreed to	1933
Motion to adjourn, Mr. Frost, agreed to	1934

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

MONDAY, APRIL 1, 1957

8.00 O'CLOCK P.M.

The House resumed; Mr. C. E. Janes in the chair.

THE PUBLIC HOSPITALS ACT

House in committee on Bill No. 136, The Public Hospitals Act, 1957.

Sections 1 to 38, inclusive, agreed to.
Bill No. 136 reported.

THE FACTORY, SHOP AND OFFICE BUILDING ACT

House in committee on Bill No. 139, An Act to amend The Factory, Shop and Office Building Act.

Sections 1 to 11, inclusive, agreed to.
Bill No. 139 reported.

THE OPERATING ENGINEERS ACT

House in committee on Bill No. 141, An Act to amend The Operating Engineers Act, 1953.

Sections 1 to 9, inclusive, agreed to.
Bill No. 139 reported.

TOWNSHIP OF FARADAY

House in committee on Bill No. 146, An Act respecting Part of the Westerly Boundary of the Township of Faraday.

Sections 1 to 4, inclusive, agreed to.
Bill No. 146 reported.

THE GAME AND FISHERIES ACT

House in committee on Bill No. 147, An Act to amend The Game and Fisheries Act.

Sections 1 to 11, inclusive, agreed to.
Bill No. 147 reported.

THE MUNICIPAL TAX ASSISTANCE ACT

House in committee on Bill No. 155, An Act to amend The Municipal Tax Assistance Act, 1952.

Sections 1 to 3, inclusive, agreed to.
Bill No. 155 reported.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION ACT

House in committee on Bill No. 156, An Act to amend The Ontario Municipal Improvement Corporation Act.

Sections 1 to 3, inclusive, agreed to.

On section 4:

MR. F. R. OLIVER (Leader of the Opposition): How much money has been loaned under this Act?

HON. L. M. FROST (Prime Minister): I think the amount is in the proximity of \$50 million. The hon. Leader of the Opposition is talking about The Ontario Municipal Improvement Corporation Act?

MR. OLIVER: That is right.

HON. MR. FROST: If it is not already up to \$50 million it is getting close to it the way things are rolling and with the tight money policy.

MR. P. MANLEY (Stormont): May I ask the hon. Prime Minister what the rate of interest is?

HON. MR. FROST: The rate of interest is dependent upon the going rate and it is anchored to that. There is no fixed rate of 4 or 4.5 per cent. As a matter of fact, those who got into this arrangement in the first place probably got into it around 4 per cent. The rate of interest now is considerably more than that and it will depend on what the going rate is from time to time. I do not mean what the going rate is with us, but what the treasury board finds is applicable to their cost of getting money, the cost of doing business, and other things.

MR. MANLEY: Is there a difference in the rate of interest between a certain period, say for a 3- or a 6-months' period, or is each individual loan taken into consideration and the rate applied to that particular loan? What is the established practice?

HON. MR. FROST: I think, obviously, in practice it has to be on a period of time. The money is loaned having regard to the rates which are applicable to that period. In theory, of course, it ought to be tied to that loan but that is not a practicable arrangement.

I think for some considerable period of time it was tied to one rate, but the rates have been fluctuating very rapidly, as the hon. member knows; with the increase in the bank rate the rates of interest would vary almost monthly.

MR. MANLEY: Mr. Chairman, on that, could the hon. Prime Minister not tell hon. members what the highest and what the lowest rate is?

HON. MR. FROST: I do not think I can give the hon. member the information. However, I can get it for him.

MR. MANLEY: Could the hon. Prime Minister make it available to the House?

HON. MR. FROST: I will, Mr. Chairman, yes.

MR. T. D. THOMAS (Oshawa): May I be permitted to assist the hon. Prime Minister at this time? There was an announcement in the *Ontario Gazette* in December that for 5 years it was 5.5 per cent. and for 10 years 6.25 per cent., and for 15 or 20 years, if I remember rightly, it was 6.5 per cent.

HON. MR. FROST: That would be it.

Section 4 agreed to.

Bill No. 156 reported.

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION AND THE ONTARIO CANCER INSTITUTE

House in committee on Bill No. 161,
An Act to reconstitute the Ontario
Cancer Treatment and Research Foun-
dation and the Ontario Cancer Institute.

Sections 1 to 31, inclusive, agreed to.

Bill No. 161 reported.

THE ONTARIO WATER RESOURCES COMMISSION ACT

House in committee on Bill No. 164,
The Ontario Water Resources Com-
mission Act, 1957.

Sections 1 to 29, inclusive, agreed to.

MR. R. WHICHER (Bruce): Mr. Chairman, on section 29, may I ask: did people who drilled wells before have to hold licences?

HON. MR. FROST: That came under The Well Drillers Act, which Act was passed a number of years ago, perhaps in the last 10 years, that is. It was then under the administration of The Department of Mines and was passed for purposes of making studies of water levels, particularly in south-western Ontario.

Since that time, I believe under Mr. Wier of The Department of Mines, very extensive studies were conducted and the reason then for licencing well drillers was to obtain information from them as to the levels at which they found water in their wells. That procedure has given a great deal of basic information relative to water tables in the province, which was not available prior to that time.

MR. OLIVER: Mr. Chairman, does the hon. Prime Minister know if there was a penalty clause under the old Well Drillers Act?

HON. MR. FROST: I believe there was a penalty clause. My reason for saying that is not from information from the Act itself; I have not compared it. I notice this says it is a new section, but I think it is new only in the sense that it is probably a re-enactment of the old one, with some changes.

However, about a year ago, I met by chance one of the inspectors of mines and he referred to the objection which some well driller had made — the fact that he was fined, or something of the sort, for not giving this information. The best information which is available in the province relative to water tables comes from these well drillers, who are people with a great deal of experience in that line of work.

Sections 29 to 38, inclusive, agreed to.

On section 39:

MR. WHICHER: I wonder if the hon. Prime Minister could inform me with respect to the installation of these water works or sewage works over a

period of, say, 20 years; does the municipality have to pay immediately the engineering costs to the commission, or are they subject to debentures, too? In some instances, the engineering costs are quite heavy and I wonder if they have to pay them immediately.

HON. MR. FROST: I believe in very many cases the engineering costs are really supplied by the commission. The commission is endeavouring to assist the municipalities in this respect. As a matter of fact, while they are not under any obligation to accept the cost of any engineering work and the basis for the payment of the engineering work, the commission is trying to develop an engineering personnel which can give assistance to the municipalities in their problems.

While we are on this section, Mr. Chairman, I would like to clear up some misunderstandings. I think some of the municipalities have felt that perhaps the commission wanted to step into their municipality and do the work. I can assure them that is not the case.

It is preferable from the commission's standpoint that they should not do that, but what they are endeavouring to do is this: first of all, they have a very active organization to assist the municipalities and to advise them in connection with their problems; secondly, if the municipality decides and desires to go ahead by itself—and that is the case with two municipalities which I could name off-hand, the municipality of metropolitan Toronto for one and the city of Sarnia for another. There are many others, but those municipalities decided that they would prefer to do this job themselves.

MR. WHICHER: Mr. Chairman, may I ask a question at this point?

HON. MR. FROST: Yes.

MR. WHICHER: Why would those municipalities prefer to do it themselves? I mean, can they obtain money cheaper?

HON. MR. FROST: That is one factor. A municipality which has good

credit may feel they would rather use their own special credit facilities than accept pool credit facilities. That is one thing.

The other thing is that some municipalities have ways and means of doing these things with which they are entirely satisfied. That is true in the case of the two municipalities which I mentioned.

The second course is to do it themselves, but to borrow the money from the Ontario municipal improvement corporation. That is not greatly different from the first plan, with the exception that the municipality in that case, instead of using its own credit, uses what we might term the pool credit.

The third way, of course, is to do this work on a use basis. That has its desirable features. There are a number of large municipalities which are interested in that feature at the present time. One of them is the city of Ottawa, which has been looking at that because they have a very large and difficult problem and are expecting to receive some contribution toward it from the federal government.

With respect to this latter method of doing this, the commission is desirous of interfering with municipal autonomy only if the municipality wants that type of thing done. In the course of time, in regard to co-operative water works systems, I think there are some which perhaps might be on the list of work for this year.

I think that is a different proposition. I mean, supposing Chatham and a number of other areas in that vicinity — or St. Thomas and that area—are interested in bringing water from Lake Erie. That, of course, would be on an area basis.

Section 40 agreed to.

Sections 41 and 42 agreed to.

MR. WHITCHER: I want to ask the hon. Prime Minister a question on section 43, on the statutory reserve accounts.

Naturally, all of us know it is a fundamental principle that we have to

have reserves, but I am wondering why such a commission as this should have to have reserves for this reason. The way I understand it is that this House has to vote certain moneys to the commission and they, in turn, can loan those loans to the various municipalities, and we take it for granted that the municipalities pay it all back again.

Why should there have to be such a system where reserves are necessary for a commission such as this? Surely by the bill we have just voted, there is \$150 million to assist the municipalities to borrow money under different sections. They did not have to have reserves, did they?

HON. MR. FROST: It would not apply there, but this is a case where the commission is going in to do the work. The section reads that the commission "may establish such reserves for each project . . ." It is an individual-project arrangement.

Supposing, for instance, they do work, say, for the city of Ottawa. That is a huge project involving \$45 million or \$50 million. That might be amortized over a great many years—I forget now how many—I think it is 30 years, and it may be longer than that; but the hon. member can see that in that project they would set up reserves for providing for renewals and replacements, which is obvious, and to provide for contingencies in respect to the project. That can only be determined from the experience they encounter.

That is the only way these things can be done — by their experience over a period of time. But that is not a commission reserve. It is a reserve for the setting up of each project involved.

Section 44 agreed to.

MR. H. A. WORTON (Wellington South): It may be that I have passed the section which deals with this, but last week I spoke with the hon. Minister of Public Works (Mr. Griesinger), and what I am going to say deals directly and indirectly with this water resources commission.

As hon. members know, in our community of Guelph, we have the Ontario agricultural college and a reformatory, and some 3 years ago, we worked out an agreement with the government about sewage disposal at the college.

Last week I was much surprised to see that at the present time the reformatory has the intention of going ahead with its own plant there. I spoke to the hon. Minister of Public Works, because I do feel that it is both to the advantage of the government and to the city to make one operation, and I believe that also goes along with what the water resources wants — in other words — a centralized system.

The hon. Minister gave me his time, and I appreciate that. We talked this problem over, and he, along with his Deputy Minister, pointed out to me that actually it needed the sum of \$40,000 more than the agreement warranted—that it would cost the government that much more for the addition.

I do not think the city is in too great a rush, and I believe a private agreement could be worked out with the city, and it would mean a far better system at the reformatory, because all systems eventually out-wear themselves because they do not have just the proper attention, and I do feel it would be to the advantage of everyone if this was taken care of.

HON. W. GRIESINGER (Minister of Public Works): In answer to the hon. member for Wellington South, he did, on a few occasions, speak to me about this situation at the reformatory at Guelph, and we had an old sewage disposal plant there which was more or less in a run-down condition which could be repaired very easily.

It was not the same situation that we had at the college where we could tie it in with the sewage system at Guelph. The buildings are very close to the Speed River, and after examining the whole situation our engineers reported

that we could save approximately \$50,000 on the programme.

We felt at that time we would be far better off. Where the reformatory is located we would have to instal pumps and other equipment to get up the hill to the Guelph sewage system, and for that reason it would save the taxpayers' money by repairing our own disposal plant and let the effluent run into the river.

MR. T. D. THOMAS: In regard to the regulations, I wonder if the hon. Prime Minister would tell hon. members how the regulations are to be enforced? Would there be a number of field men, or inspectors, employed by the commission to see that the regulations were conformed with?

HON. MR. FROST: I do not know that.

MR. T. D. THOMAS: Or would it be left to the local people?

HON. MR. FROST: It would be useful to have a very large staff, but I think the hon. member will agree that it is necessary to have these regulations there. I can assure the hon. member that I will try to get along with as small a staff as possible and to avoid excessive staff in connection with it.

I may say that the commission is a very fine one, as the hon. member knows. They have a very big job and are trying to do a very efficient job. They have an excellent general manager in Dr. Berry, who is one experienced in this field, and I can assure you that their ideas will be to keep these costs as low as possible.

MR. T. D. THOMAS: Mr. Chairman, I want to say, as regards Dr. Berry, that he is a very, very efficient general manager.

Sections 45 to 51, inclusive, agreed to.

Bill No. 164 reported.

THE HOSPITAL SERVICES COMMISSION ACT, 1957

House in committee on Bill No. 165, The Hospital Services Commission Act, 1957.

Sections 1 to 5, inclusive, agreed to.

MR. J. J. WINTERMEYER (Waterloo North): With reference to section 6, may I ask whether or not the employees will be civil servants? I know they receive some benefits here, but I am not exactly sure what the benefits are as detailed in this particular section.

HON. MR. FROST: With the hospital services commission, their position in regard to the civil service is established here. Of course, the hon. member must remember that in this problem we are really entering into business and competing with business, it must be understood, for types of executives. Some of these people are not interested in security and these matters at all.

If we are desirous of placing the commission in the position that they can compete in business, for instance, with the Blue Cross people, these people have their own retirement and other things and, oftentimes, are not concerned in the civil service procedure. They are quite interested and quite willing to take their chance in the private enterprise way.

This section here, at the same time, enables the civil service commissioner to set up their job classifications, but at the same time does not tie the hands of the commission in such a way that they could not do business.

Sections 6 to 14, inclusive, agreed to.

MR. G. C. WARDROPE (Port Arthur): Under section 15 (b), providing for "compulsory participation in the private hospital plan of hospital care . . ." I wonder if any hon. member can explain how the plans which are operating at the moment will be affected? Do they have an opportunity to discuss with the commission what will happen to the existing plans and who will take

over the operation of these, and how that will be done?

HON. MR. FROST: That is on 15 (b)?

MR. WARDROPE: The provision for compulsory participation—

HON. MR. FROST: I think that question was very fully discussed in the committee the other day when Mr. Swanson answered questions relating to it.

Of course, that is one of the huge problems in this matter of the integration into the plan—this basic plan—with several million policies in effect in Ontario, and the many thousands of employees' plans which there are. I think we will have a very expert body of people there to advise the employer and employee-groups as to their rights on what they should do and the best way of bringing it about.

That is one of the reasons for not hurrying this matter. If you were to say that on July 1st next this plan would go into effect you would throw into confusion employer and employee relationships all over the province. If you were to say that on the 1st of January, 1959, that was to be the case you still have a very great difficulty and confusion in certain areas. But if you take time about it, and do it carefully, by the 1st of January, 1959, those who are dealing with this will have a great volume of plans integrated into this plan.

As time goes along these things will disappear. They will disappear completely—be integrated—and it will give these various plans an opportunity to negotiate for further and other coverages. That is one of the points Mr. Ogilvie of Blue Cross mentioned—why this should be, and will be, a very excellent deal. I just forget the words that were used but I think it was to the effect that they could not afford to stay out of this; it was a very good and attractive plan that means, for no more money, they are going to be able to

arrange a contract for fringe benefits—if we can call it that—medical, surgical and other benefits which are now included in modern insurance policies.

Our purpose is to give every opportunity to discuss these matters and shake down the difficulties. In a great many cases there will be no difficulty; in some cases there are going to be some very real problems.

MR. D. C. MacDONALD (York South): There is one aspect of this which puzzles me a little. I think I am correct in stating that one of the experts in speaking in the health committee indicated that they were aiming at having most of the existing coverage in the plan from the start, January 1, 1959.

Since many of the collective bargaining agreements in existence will be lapsing at periods anywhere from 1958 to 1959, and some of them are on 2-, 3- or even 5-year terms, I am a little curious as to how you can be assured you are going to have all that group in it on January 1, 1959. I agree with the hon. Prime Minister, generally speaking, that what you are offering in this plan is more for less. In many of the collective bargaining agreements which have been worked out during the years, however, the union has succeeded in getting management to give a major portion, if not all of the cost, so they are not getting more for less in that kind of arrangement. They are now getting it as part of the general income.

What I am still a bit puzzled about is how this government is going to give any assurance of having a sufficient percentage in hand of these existing plans incorporated and integrated on January 1, 1959, when you have this endless succession of dates for the lapsing of existing contracts.

HON. MR. FROST: All I can say is, that is the view of men like Mr. Ogilvie, Mr. Martin and Mr. Swanson, we will be able to do so. I have been anxious about it; I have wondered myself as to

how this thing can be integrated so quickly.

But, on the other hand, they are men with great experience and we were discussing this matter with the federal people on that point when Mr. Ogilvie and Mr. Martin came back from Montreal, having taken part in the negotiations in the railway unions in connection with their plan and they felt there would be no difficulty.

I should not say they did not feel there would be any difficulties, but they minimized any difficulties such as are raised, and difficulties such as the hon. member raised.

One of the points, in all of these policies, if I recollect rightly, is that there are permissive features at various dates which can be utilized to bring this plan into effect. They feel, and have felt thereby, that the problems such as the hon. member and myself might raise are not as formidable problems as we would think they are.

They are people engaged in the work; there is hardly a contract in Ontario of any size that they do not know about; they have had very great experience, and all I can give the House is their experience on it.

MR. T. D. THOMAS: There does seem to be some misunderstanding. I believe that the plan at the outset will be confined to those on payroll, and I have informed some people that I thought it was open to individuals. Could we have a clarification of that?

HON. MR. FROST: Yes, it is available to everybody. First of all, we have all of those of the social service class who are not on payroll, and I can assure the hon. member that we are most anxious to extend that.

I would think persons would be very foolish not to accept this plan for the reason that if they do not accept it on the date on which it comes into effect there is a waiting period which would safeguard the commission against claims which might arise from somebody who

would, at the last moment, let it appear a hospital stay was imminent. You would have to have protection against that. It is available to everybody and I would say the commission will use their persuasive power to catch all these elements that we have in the voluntary class.

MR. A. G. FROST (Bracondale): The hon. Prime Minister says it will be available to everyone and I believe he means that. It will be an administrative problem. It will be difficult to make it available to individuals here and there throughout the province who might want to subscribe for the benefits. How could that be done? Would they make their contract with the commission or through a group? How does the hon. Prime Minister suggest it be done satisfactorily?

HON. MR. FROST: At the moment I just do not know, but it might be possible to make arrangements with some agency. I do not think it would be desirable or necessary in a plan that is universally available to everybody to set up offices in every place.

I think there should be ways and means where people could subscribe or pay their premiums through the bank, for instance, but that is an administrative problem which can be solved.

MR. MacDONALD: It will be a strange day when the banks are helping the administration of a socialized hospital plan.

MR. F. S. THOMAS (Elgin): In the case of certain counties where the Ontario medical service is co-operating with the division of agriculture, will they automatically become subscribers, or how will they be dealt with?

There is a second question I would like to ask the hon. Prime Minister. In my riding we have several small centres which have written me because they are afraid they are invalid. How do these small units qualify, if they qualify?

HON. MR. FROST: That question was answered in the committee meeting the other day by Mr. Swanson, I think it was, who said the rural co-operatives would be brought into this under some sort of partnership. We say the same condition would apply as with Blue Cross, where these co-operatives would be able to carry on business in the fringe benefit area and their work would be integrated with that of the commission. Again, that is an administrative problem.

MR. H. NIXON (Brant): These co-operatives have 150,000 members now signed up.

HON. MR. FROST: That is right.

MR. NIXON: Would it be possible for them to just re-insure these members and still make the collection? They are dealing almost entirely with self-employed people.

HON. MR. FROST: I think the principle will be this: the payment made by the individual will have to be given by the commission without any deduction unless it is a bank or something of that sort. The matter of making it automatic with them would necessitate an arrangement with the co-operative to remit that money to them. It would seem to me that would be feasible and the co-operative could then turn around to their people and give them the additional coverages. They would only have to deal with one agency but the co-operative would act in some form or other with the commission. I would hope that would be possible because I think it is a sensible arrangement.

Section 16 agreed to.

Sections 17 and 18 agreed to.

Bill No. 165 reported.

THE DEPARTMENT OF TRANSPORT

House in committee on Bill No. 166,
An Act to establish The Department
of Transport.

Sections 1 to 3, inclusive, agreed to.

On section 4:

MR. OLIVER: Would the hon. Prime Minister say what duties are to be assigned to this board and what different branches they will have?

HON. MR. FROST: As the hon. Leader of the Opposition will notice, the bill is drawn with quite wide powers.

MR. OLIVER: I agree that they are.

HON. MR. FROST: That is intentional. Bills constituting most departments are that way. For instance, it was desirable here, in the last few years, to concentrate the collection of taxes in the revenue section of the department of the treasury, somewhat after the fashion of the Ottawa government.

There are hosts of things of that sort, but I would say to the hon. Leader of the Opposition, that, generally speaking, this department would have those matters which are not now part of the construction end of the department; dealing with matters relating to limits, and matters relating to safety. Very probably the transport board, which is now with another department, and studies of all the various types of taxation will be included in this new department.

I am not one of those who for a moment believes our present taxation system is the ultimate in what is desirable. I think there are, perhaps, other types of taxation which may be necessary and which may be more desirable than what we have at the present time. I say that having regard to ease of collection and the simplicity with which a taxpayer pays and the collector collects. It is all part of the system.

I think, perhaps, in America — and when I say America I am taking in a lot of territory — the question of highway use all over America and certainly the northern jurisdiction is going to have a bearing on things in the future — the question of weight and size of trucks and the speed with which they travel.

How that will be worked out is a question for an administration which thinks of nothing else but matters relating to the highway industry.

I would say there is a difference between the administration of highway construction and the administration of highway use. The department of transport would be pretty well directed towards the latter of these.

MR. MacDONALD: May I ask the hon. Prime Minister specifically what the government's thinking is — recognizing no final decision has been made — with regard to incorporating the raising of highway revenue in this department? I am referring to the actual administration of the raising of the revenue in this department.

The reason I raise this question is because one of the functions of this department is to examine the whole field of highway revenues, and, conceivably, to come up with new forms of highway revenue. I think there is a problem if you separate the administrator and the people who are doing the research and devising the new taxes. You can anticipate some interesting gaps or variances in the thinking between the administrator and the economists.

It seems to me you are bound to have these variances if you have one group who are devising new taxes and imposing them on another group who are unhappy about the administration details.

Without having come to a final decision I think there might be merit in having this in one department, particularly at the stage when we are examining the entire field. Has the hon. Prime Minister given that any thought?

HON. MR. FROST: No, I have not. I recognize that. I think a similar matter outside of our jurisdiction is the situation at Ottawa where you have the department of finance which is laying down a policy in connection with certain matters and the department of national revenue is collecting. That was

the advice we had from the Woods, Gordon Company when they were looking over the financial administration set-up, and some other set-ups some 3 years ago.

I recognize there are places where you get a different line of thought from different people. Take, for instance, at Ottawa, at the present time, they are giving an exemption up to \$100 on charitable gifts. I can quite understand from a standpoint of administration that is very easy and very simple.

I am not so sure as to whether the charitable end of that will work so well. If a deduction is automatic, then perhaps there is not the same charitable intent. Obviously, people are looking after themselves, and I wonder myself whether perhaps the policy-making department and the collecting department might not have broken down a little in relation to the real purpose of such a thing as that. I just give that as a case in point.

From a collector's standpoint, there is everything to be said for it. As a matter of fact, from the taxpayer's standpoint it is a very simple thing. From the charitable standpoint, it has not the same effect.

Sections 3 to 7, inclusive, agreed to.

Bill No. 166 reported.

THE LIQUOR LICENCE ACT

House in committee on Bill No. 167.
An Act to amend The Liquor Licence Act.

MR. R. GISBORN (Wentworth East): Mr. Chairman, in the explanatory note the effect of this might well be that men unaccompanied by women cannot enter a women's beverage room. I wonder if we could have a declaration as to the intent and purpose of the bill. I thought that situation existed at the present time. Why does it happen it is referred to here?

HON. G. H. DUNBAR (Provincial Secretary): The hon. member for Wentworth East is correct. We thought it did exist now, but it must have been dropped some time during the years and was not covered. That is why we wanted to cover it now.

MR. GISBORN: I take it then it means there must be one woman and one escort; is that the intent of the legislation?

HON. MR. DUNBAR: No, it could be two ladies with the one man.

MR. WHICHER: It could be half a dozen.

HON. MR. DUNBAR: But a man cannot enter without a lady.

MR. GISBORN: Could there be two or more men with one lady? I am sure it is not clarified in the explanatory note.

HON. MR. DUNBAR: It is a very broad interpretation.

MR. WARDROPE: Mr. Chairman, supposing one's wife is in the beer parlour and you want to go in and get her, how do you go about that?

HON. MR. DUNBAR: Open the door and beckon to her.

Sections 1 to 6, inclusive, agreed to.

Bill No. 167 reported.

THE LIQUOR CONTROL ACT

House in committee on Bill No. 168.
An Act to amend The Liquor Control Act.

Sections 1 to 6, inclusive, agreed to.

Bill No. 168 reported.

THE MUNICIPAL ACT

House in committee on Bill No. 169.
An Act to amend The Municipal Act.

Sections 1 to 7, inclusive, agreed to.

On section 8:

MR. MANLEY: Mr. Chairman, on section 8, what difference is there in this new bill to the old bill with respect to the time of nominations?

HON. W. K. WARRENDER (Minister of Municipal Affairs): It is an extended time, Mr. Chairman, to one hour after the nominations close. The reason for the legislation is that there have been occasions where persons have been nominated for more than one office and have not had time to decide which office they would like to let their name stand for. This extra hour gives them that time in order to come to a decision.

Section 8 agreed to.

Sections 9 to 20, inclusive, agreed to.

On section 21:

Hon. Mr. Warrender moves that clause (b) in item 91c as enacted by subsection (9) of section 21 of the bill be amended by adding at the end thereof the words "less legislative grants."

He said: The explanation is that the amendment is necessary to bring the clause into line with similar provisions in The Schools Act.

Amendment agreed to.

Section 21, as amended, agreed to.

Sections 22 to 33, inclusive, agreed to.

Bill No. 169 reported.

THE ONTARIO MUNICIPAL BOARD ACT

House in committee on Bill No. 170, An Act to amend The Ontario Municipal Board Act.

Sections 1 and 2 agreed to.

HON. MR. WARRENDER: Mr. Chairman, on section 2 of The Municipal Board Act, I move that subsection 2 of section 61 of The Ontario Munici-

pal Board Act, as re-enacted, being section 3 of the bill, be amended by striking out the words "has been" in the front line, and inserting in lieu thereof, the words "is being."

I am told, that does make a legal difference by using the words "is being" instead of the words "has been."

Section 3, as amended, agreed to.

Sections 4 to 8, inclusive, agreed to.

Bill No. 170 reported.

CHILDREN'S BOARDING HOMES

House in committee on Bill No. 171, An Act to provide for the Registration and Regulation of Children's Boarding Homes.

HON. L. P. CECILE (Minister of Public Welfare): I move that clause (b) of section 1 of Bill No. 171 be amended by striking out the words "not of common parentage" in the second line and inserting in lieu thereof, the words "who are not related to one another through a parent, step-parent or grand-parent" so that it reads as follows:

Children's boarding home means any premises in which 5 or more children who are not related one to the other through a parent, step-parent or grand-parent, are lodged, boarded or cared for, but does not include —

MR. T. D. THOMAS: On the question of licencing, is there any fee charged for licencing in these places—any fee charged for a licence?

HON. MR. CECILE: That will be set up in the regulations.

Sections 2 to 14, inclusive, agreed to.

Section 1, as amended, agreed to.

Bill No. 171 reported.

THE PUBLIC HEALTH ACT

House in committee on Bill No. 172,
An Act to amend The Public Health
Act.

Sections 1 to 5, inclusive, agreed to.
Bill No. 172 reported.

THE PHARMACY ACT, 1953

House in committee on Bill No. 173,
An Act to amend The Pharmacy Act,
1953.

HON. M. PHILLIPS: Mr. Chair-
man, in section 1, I would like to make
a small amendment to 1(d)(3) by
deleting two words "food supplement"
so that it will read:

does not include any such substance
or preparation offered for sale or sold
as, or as part of, a food, drink or
cosmetic or for any purpose other
than the prevention or treatment of
any ailment, disease or physical
disorder.

Section 1, as amended, agreed to.

Sections 2 and 3, agreed to.

Bill No. 173 reported.

THE MUNICIPALITY OF METROPOLITAN TORONTO ACT

House in committee on Bill No. 174,
An Act to amend The Municipality of
Metropolitan Toronto Act.

Section 1 agreed to.

On section 2:

MR. WHICHER: I would like to
ask a question on section 2 (1a), that
the limitation of \$2,500 prescribed in
The Municipal Act shall not apply to the
metropolitan corporation.

Does that mean there is not going to
be any limit at all, or what?

HON. MR. WARRENDER: I beg
the hon. member's pardon. I was

engaged with someone else and I did
not hear the question.

MR. WHICHER: I was asking
about section 2 (1a), the limitation of
\$2,500 which shall not apply to the
metropolitan corporation, so far as
retirement goes. How high can you go?

HON. MR. WARRENDER: After
it is removed, it is up to the council to
decide.

MR. WHICHER: How would that
apply in comparison to the city of
Hamilton?

MR. COWLING: This is the muni-
cipality of metropolitan Toronto.

MR. WHICHER: But what I want
to know is this: is metropolitan Toronto
the only exception to The Municipal Act,
or can they pay \$5,000 retirement and
only \$2,500 in Hamilton?

HON. MR. WARRENDER: That
is possible under the amendment.

MR. WHICHER: Does the hon.
Minister think that is fair?

HON. MR. WARRENDER: I do
not know whether it is fair or not. This
is an amendment which is being brought
in here to see how it works, and if the
principle seems to be sound, we will
extend it across the province by amend-
ment to The Municipal Act.

We do not know whether it is fair
or not. We will find out.

I move that the bill, as amended, be
reprinted for consideration by a com-
mittee of the whole House.

Sections 1 and 2 agreed to.

HON. MR. WARRENDER: I do
not know if this is the appropriate time,
but I have an amendment here. I move
that section 388, subsection 113—that
is, for prohibiting and abating public
nuisances—be added to The Municipal-
ity of Metropolitan Toronto Act, 1957.

The reason for this, Mr. Chairman, is—I did not know this, but it has been brought to my attention — that the metropolitan officials would like that amendment made to The Municipality of Metropolitan Toronto Act.

THE CHAIRMAN: That is section 3?

HON. MR. WARRENDER: I believe it could be brought in—perhaps not section 3; I thought that was the appropriate section. I am sorry, it may come down further, Mr. Chairman.

Sections 3 to 47, inclusive, agreed to.

HON. MR. WARRENDER: At the end of section 48, I think this is the appropriate place to bring in this amendment. I move that section, or these powers of section 388, subsection 113 of The Municipal Act be transferred to The Municipality of Metropolitan Toronto Act. That has to do with prohibiting and abating public nuisance.

Section 49, as amended, agreed to.

Section 50, formerly section 49, agreed to.

Section 51, formerly section 50, agreed to.

Section 52, formerly section 51, agreed to.

Section 53, formerly section 52, agreed to.

Bill No. 174 reported.

CONSOLIDATED REVENUE FUND

House in committee on Bill No. 175, An Act to Authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Sections 1 to 4, inclusive, agreed to.

Bill No. 175 reported.

THE ONTARIO FUEL BOARD ACT

House in committee on Bill No. 157, An Act to amend The Ontario Fuel Board Act, 1954.

Sections 1 to 4, inclusive, agreed to.

HON. DANA PORTER (Provincial Treasurer): Mr. Chairman, I move that subsection (3) of section 3 of this Act as enacted by section 4 of the bill be amended by inserting after the word "appliance" in the first line the words "in any area designated by the regulations." This means that the subsection will read as follows:

No person shall instal any fuel oil appliance unless he is the holder of a permit to instal such appliance in any area designated by the regulations.

That limits it so we will not be faced with having to take action throughout the whole province, take it piece by piece. Subsection (4) of that same section will be amended in a similar way to read as follows:

No such person shall instal any gas appliance utilizing liquefied petroleum gas supplied to such appliance in any area designated by the regulations by means other than a pipe line unless he is the holder of a permit to instal such appliance.

MR. MANLEY: Is there much of a problem? Would it not be within the powers of the board at the present time?

HON. MR. PORTER: It is simply for regulating the installation of fuel oil installations and subsection (4) has to do with propane installations. The fuel board foresees a problem arising in those matters.

As a matter of fact, they have in some places a fairly acute problem and it is a difficult matter to take complete action all at once and it may take some time before they can go further, piece by piece, and they want to designate a

certain area in which to apply these regulations from time to time. That is the only object of it.

MR. WHICHER: Will it be in this Act that the fuel commissioner receives the power to designate the difference between transmission pipe lines and—

HON. MR. PORTER: No, that is in the amendment to The Assessment Act and that was considered this morning by the municipal law committee, and is not in this at all. That power is given to the fuel board by the amendment to The Assessment Act, which is quite different from this.

MR. MANLEY: Coming back again to fuel oil and gas installations: why would the board have a regulation for a certain part of the province which would not apply to the whole province?

HON. MR. PORTER: It is a matter of physical capacity to do everything at once. This might become quite a large problem and what is contemplated is this: that the fuel board will lay down under general regulations powers to establish a uniform code of standards which will be applicable to fuel appliances, fuel oil appliances and propane appliances, and, eventually, they will be able to follow that up by a certain type of inspection.

However, they do find in a number of municipalities there are inspection systems working quite satisfactorily. They do not want to enter into those areas and interfere with that. In some places, however, there is a need for some special attention especially where there are growing communities and where there is no control of this problem at all.

They have found in some places there are faulty installations because they have no control over the dealers, and under this Act they can provide for registration of these dealers so they will know who did the installation and make it possible for them to make it good.

These are very much the same powers they now exercise over gas installations which was brought in under the regulations some months ago. These are working very satisfactorily, and through the Act they have been able to clean up situations which have been arising and only discovered them after it was too late.

MR. MANLEY: Any municipality which has inspection at the present time, then the board is not going to interfere with that municipality at present?

HON. MR. PORTER: No, but they will eventually lay down uniform codes. The way it is now, the codes vary in the different municipalities. There are people in the fuel appliance business who have to comply with one set of regulations in one municipality and with another set in a neighbouring municipality, where they are also doing business, which makes it very confusing and difficult.

The chairman of the board has consulted a great many of the municipalities in the province where these problems exist and has found a very favourable response towards the approach which is represented in this bill.

He has collaborated with them and has no intention of over-riding what is being done, but they are generally coming to the conclusion that a standard code to apply to the standards of installation and equipment will be of great benefit not only to the trade in general, but to the public who are our main concern.

MR. MANLEY: Is it the considered opinion of the government, or the fuel board, that the hon. Minister is going to make it mandatory in all municipalities and they will have by-laws under the jurisdiction of the fuel board?

HON. MR. PORTER: If the fuel board decides to lay down a uniform code, that code will become mandatory. It is a code of standards. Many muni-

cipalities have codes of their own and they vary, but a uniform code would meet the same conditions and apply a uniform standard, and the municipalities are in favour of that as far as my information goes, and it is welcomed by the trade as well. I am sure it will be to the advantage of the public generally, if that can be done. It is much the same as Hydro.

MR. MANLEY: Why should we have a situation where a municipality has the regulations in certain parts of the province and the fuel board has control in other parts? Why does the hon. Minister not just leave it under the jurisdiction of the fuel board or make it mandatory?

HON. MR. PORTER: As I have said, there are places where there is no inspection now, and the fuel board is not in a position at the stroke of the pen to step into every area in this province which runs about 1,000 miles from one end to the other.

That would be a very drastic step all at once, and a great many difficulties would arise. They have decided they want the power to step into this gradually and to gradually cover the province with reasonable protection along those lines.

MR. WINTERMEYER: May I ask the hon. Minister a question? I realize that it makes common sense that you cannot do everything at one time, but this section means that in certain areas no inspection whatsoever would be required.

Even the board has not set up an applicable rule. Surely somebody would inspect the installation before it went into operation, even if it were only the inspector of the installing company. Is it possible that in certain areas there will be no inspection whatsoever?

HON. MR. PORTER: That is so at the present time.

MR. WINTERMEYER: Do you not think anything could be done about that?

HON. MR. PORTER: For the most part, inspection will be through local authority, because that is the best way. If you have a green army of inspectors going out from the fuel board, it would be a very difficult organization to control and it would be a very expensive, unsatisfactory way of doing it, but I do think that the system can be encouraged. In some of the smaller places, there would not be sufficient work for a full-time inspector. However, they are working on an arrangement.

Fuel oil appliances do not present the same danger as with gas, but, nevertheless, there are explosions. These do not usually result from a faulty appliance or installation but from something which happens after it has been running for a while; perhaps the need of cleaning or repair. But there has to be some inspection over installation and the standard of appliance itself.

Sections 3 and 4, as amended, agreed to.

Sections 5 and 6, agreed to.

HON. MR. PORTER: Under section 7, there is a similar amendment which follows up the amendments I have proposed. Subsection "ff" will read — this is a regulating section, providing for power to make regulations in the designated areas. It is simply complementary.

Paragraph (s) of that same section will read as follows:

requiring and providing for the bonding or insuring of persons licenced or registered under this Act.

Section 7, as amended, agreed to.

Sections 8 to 11, inclusive, agreed to.

Bill No. 157 reported.

THE GAS PIPE LINES ACT

House in committee on Bill No. 158, An Act to amend The Gas Pipe Lines Act, 1951.

MR. MANLEY: Mr. Chairman, I may be out of order, but we have a bill here to amend The Gas Pipe Lines Act and of course we also have a bill before us in regard to fixed assessments.

HON. MR. PORTER: That is true, but that is not before us at the moment.

MR. MANLEY: Just as a matter of information, Mr. Chairman, I want to know if there is anything in the regulations to protect the property owner, where gas pipe lines are going through his property. I think it is something this House should make mention of at this particular time. The Act here, as I read it, protects the gas line people, but I cannot see anything in it which affords protection as far as the individual property owner is concerned.

HON. MR. PORTER: This Act has nothing to do with the gas line operators. All this bill is concerned with is this:

When The Fuel Board Act was passed, and the powers of the municipal board which, up to that time had dealt with pipe lines, were transferred to the fuel board, one of these powers was the power to hear appeals from expropriations and compensation proceedings.

I do not think that was intended at the time, and all this bill does is to restore to the municipal board the power to hear appeals on expropriation proceedings. They are in a much better position to deal with compensation and property values and that sort of thing, which arise out of expropriation, than is the fuel board. That is really not the proper function of the fuel board, so this power is simply being restored to the municipal board.

MR. MANLEY: As a matter of information, Mr. Chairman, may I ask the hon. Provincial Treasurer under what Act the individual property owner is being protected? I ask because I understand the pipe line people can expropriate the land, they can go across a farmer's field and lay a pipe I believe at an average depth of 30 inches.

Perhaps 5 or 10 years later the farmer wants to tile-drain his farm. In that case, whose obligation is it to lower or raise that pipe line, as the case may be? This question is important because in an under-draining scheme there has to be a certain fall for outlet of a drain.

Similarly, if the gas pipe is only about 30 inches under the surface of the ground, maybe a farmer wants to run a drainage ditch up his lane, and in doing so runs across this pipe and may do it some damage. Who is going to protect the average land owner in that respect? Whose responsibility is it? Is there no control over the depth of pipe for the gas people to put their installations in as they cross a person's property?

As it is, a farmer cannot build within so many feet of a gas line, and I think there should be some protection for the property owner. Whose responsibility is it, or what protection is there in any of the legislation with regard to the property owner? I would like an answer on that.

HON. MR. PORTER: I can answer the hon. member's question in this way: that in the case of a pipe line that is interprovincial, or runs beyond the borders of a province, it comes under federal jurisdiction and we have no control over it. Such a pipe line is controlled by the transport board, and if the gas line people want to expropriate they have to lay their plans before that board, which has to approve of the course of that line and has everything to do with that proceeding.

Where, however, a transmission line is entirely within the province of Ontario, it comes under the jurisdiction of the Ontario fuel board, and application must be made to the fuel board in case of expropriations, and the board could control the route of that line. Many cases have come up in which the fuel board has worked out the very sort of problem that the hon. member has suggested.

I do not know what other transmission lines there may be in the hon. member's part of the province, but the only main line will be that running from Toronto to Montreal, eventually, and that will be under federal jurisdiction because it runs across the border between Ontario and Quebec. The controlling body in that case will be the transport board at Ottawa. We would not be able to interfere with it.

Sections 1 to 4, inclusive, agreed to.
Bill No. 158 reported.

Hon. Mr. Frost moves that the committee rise and report certain bills with and certain bills without amendment.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole House begs to report certain bills with amendment, certain bills without amendment, and asks leave to sit again.

Motion agreed to; report adopted.

NOTICES OF MOTION

Mr. F. R. Oliver moves:

That a select committee of the House be appointed to examine into and report upon the adequacy of The Municipal Act, The Municipal Board Act, and The Assessment Act in relation to the present-day requirements of municipal government.

And that the select committee have authority to sit during the interval between sessions and have full power and authority to call for persons, papers and things and to examine witnesses under oath, and the assembly doth command and compel attendance before the said select committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which purpose the Honourable the Speaker may issue his warrant or warrants.

He said: Mr. Speaker, this motion calls, as the House will remember, for the setting up of a select committee to study The Municipal Act, The Municipal Board Act and The Assessment Act. I do not anticipate any great difficulty in getting the government to acquiesce in this rather good suggestion. I believe, as most hon. members do, that committees can do a good job when they are called upon to investigate, to inquire into and report upon Acts of this Legislature.

The Municipal Act has been in force for many decades in this province, and it has not been subject to examination by hon. members of the Legislature—not in my time—and it certainly is due for overhauling and bringing up to date.

In the House tonight we passed a bill which contained many amendments to The Municipal Act. This goes on year after year. I have no doubt that even a revision of The Municipal Act under the guiding eye of a select committee of the Legislature would not remove for all time the necessity for making amendments to The Municipal Act.

I do feel that it is time for a basic revision of the Act; and I think the same about The Assessment Act. The problems of assessment which are arising in this province today make it obligatory, I would say, that The Assessment Act should be brought up to date, and I can think of no better body to bring it up to date than a select committee of this Legislature.

Concerning the other Act — The Municipal Board Act — I do not think there is an hon. member in this House who does not believe that the municipal board and its operations can, and should be, streamlined in the interests of the municipalities of this province.

The question might arise as to what sort of examining body should deal with the matters to which I have been referring. Last year the hon. Prime Minister — I cannot think he was serious about it — but, nevertheless, he did suggest that it would be difficult, if not impossible, for a select commit-

tee of the Legislature to give an intelligent analysis of The Municipal Act, The Municipal Board Act, and The Assessment Act. I do not concur with that thinking at all. I believe that this Legislature and the hon. members of this House are fully competent to make whatever amendments are required to any of these Acts which I have mentioned.

I have always said, and I say again tonight, that it is not necessary that expert opinion in respect to these Acts be a requisite to sitting on such a committee; that is, I mean it is not necessary that those men who are particularly qualified in municipal affairs should sit on that committee. It is sufficient, I suggest, that these men be brought before the committee to give their evidence. The hon. members of this House are completely competent, in my estimation, to weigh that evidence and to come to the proper conclusions in relation thereto.

One need not argue, I think, much longer as to the necessity, in the first place, of revising these Acts. I doubt if I need spend much time; and I would suggest that the proper people to undertake the examination are the hon. members of this Legislature, and I am hopeful that the government will have seen the light by this time, and that it will move in the direction of setting up the committee to do this job that has needed attention for a good many years.

I am not particular whether we examine the 3 Acts this year or not. If the committee feels that the 3 of them are not in need of examination immediately then let us take one or two of the 3 I have mentioned.

I suggest to this House, in all seriousness, that it is pertinent, I think, that there should be constant review of these Acts of the Legislature. That cannot be said to be the case in relation to these 3 Acts, because they have not been examined by a select committee for many years, and there cannot, I think, be any sound reason why we could not start now on the process of making an

examination of these Acts and bringing them up to date.

I suggest, and, in the same vein, I hope, that the government will move to accept this motion, and lest I talk myself out of court I will just leave it right there at the present time.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I may say, briefly, that we intend to support this resolution.

I need not dwell on it at any length, but in respect to some of the remarks which the hon. Leader of the Opposition has made, he made one very good point and that was that on a committee of this description we do not need experts. I think that is proven by the appointment of the committee to investigate the metropolitan area. These 4 gentlemen are very able and efficient. They are not experts, but I am quite sure they will bring in a very good report and give the government some direction in what is needed in the metropolitan area.

Therefore, Mr. Speaker, we intend to support the resolution of the hon. Leader of the Opposition.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I have some sympathy with this resolution —

MR. MacDONALD: But!

HON. MR. FROST: — I must say, of course, that The Municipal Act goes back to the commencement of this province. The Baldwin bill was introduced in this province, I think, in 1849. It was a very controversial piece of legislation, and, as a matter of fact, when we introduced in this Legislature in 1953, the metropolitan Toronto bill, Bill No. 80, it was one of the major changes in the scheme of The Municipal Act that was introduced away back in the days of Baldwin and Lafontaine.

The Municipal Act has grown up since that time. I very well remember in law school, very many years ago, when Mr. Edward Long was the lecturer on The Municipal Act. He said

at that time that The Municipal Act was the subject of constant amendment, and said it with a certain amount of derision, or sarcasm, at the time.

Those of us who have been here see the requirement for constant changes in The Municipal Act. It is an Act which has to change and vary with the change in conditions. That is also true of The Assessment Act, and it is true, to an extent, of The Municipal Board Act.

The objection which I have to the resolution of the hon. Leader of the Opposition is this: that it is so broad in its scope — I am not talking about the requirement of constantly keeping these matters under review — but the scope is so broad that it is almost impossible for any committee to deal with it.

As a matter of fact, to have a select committee dealing with, and to examine and report upon, the adequacy of these 3 Acts is an impossibility. No committee could report and do a good job on that in, or a segment of, the period of time between sessions.

It is something like the Hope commission. The scope and the reference in connection with the Royal commission on education in this province was introduced, I think, in 1945. It was of very broad reference, but it was so broad that the commission itself became submerged in the various details and facets of its job.

Although their report was comprehensive, it took years to do the job. It ran several years, and then the subject matter became somewhat lost in the interim.

In the meantime, different systems of grants were introduced. There was the grant system of 1945 and the grant system of 1950 which came in, in the period between the time this commission was appointed and the issue of its report.

I would say to the hon. member it is true in metro that there is a small committee to discuss matters relating to government. But let him remember that it is pretty well circumscribed and has

a reference which is not too broad; on the other hand, that reference is very important and I would say it would take a lot of time.

My objection to this resolution is the fact that it is so broad as to be unworkable; it is so broad as to make it very difficult, if not impossible, for a select committee to deal with the matters involved.

I have debated in my mind, at times, as to whether it would be advisable to have a select committee look into the powers and the scope of the municipal board. That in itself is a very large project, and I have some ideas of perhaps having a committee on that subject matter; but I would prefer to have our present committee, the municipal advisory board, to look at that.

In the meantime, the Deputy Minister, Mr. Crawford, is just becoming used to his new and very difficult position, and it seems to me it would be better to have that matter stand over for a further year.

I think there are certain angles of this matter which can be very well referred to a select committee. Another angle is The Assessment Act in relation to business assessment. As a matter of fact, there is no doubt that that feature of things has, in many regards, outlived its usefulness, and it might be the subject of discussion by a select committee.

I would say to the hon. member I agree with him in this: it is a matter which has to be kept under constant scrutiny. Of course, a very large part of the work of this House is devoted to these various Acts in the committee on private bills and in the committee on private laws. Actually, these things are under constant scrutiny, and while I agree with that part of it, I am afraid I would be fearful in agreeing to hand over a subject so vast and so broad to a select committee which could not possibly deal with but a very small portion of this in the course of one year.

HON. W. K. WARRENDER
(Minister of Municipal Affairs): Mr. Speaker, I must support the remarks

of the hon. Prime Minister. This department has given a great deal of study to the resolution of the hon. Leader of the Opposition, and also to the conditions which appertain in respect of these Acts mentioned. As a matter of fact, to show that it is not just something which has been considered recently, I have here a quotation from a speech made March 23rd last year by the hon. Minister of Agriculture (Mr. Goodfellow) when as hon. Minister of Municipal Affairs he made this statement:

I believe it would be necessary in the first place to have a serious look at The Assessment Act. I have found in the short time I have been Minister there are many sections in The Assessment Act which have been in the statutes a long time, and possibly they require observation at this time in order to bring them up to present-day needs. This is one reason why we appointed an advisory committee to the Minister of Municipal Affairs.

Just following that up, when I became Minister of the department in an acting capacity last August, and Minister as of November 1st last, I also came to the conclusion, because of my past legal experience and experience in municipal affairs, that The Municipal Act, The Assessment Act, The Local Improvements Act and even The Municipal Board Act should be looked at to be brought up to date.

My people in the department tell me that part 1 of The Municipal Act was reviewed by Mr. Treadgold and others. Mr. Treadgold used to be the legislative counsel of this assembly. Much more needs to be done to the remainder of The Municipal Act, and the other Acts. I am told that it would probably take from 2 to 3 years to do a good job on these 4 Acts.

Therefore, I have considered setting up another special committee which might be composed of men who have had municipal affairs experience—shall we say, retiring municipal solicitors

who for years have been engaged in this field, who know that some of the statutes are outmoded and should be brought up to date.

Recently it was brought to my attention, for instance, so far as The Assessment Act is concerned, one feature of this, which points out the anomaly that exists, is in relation to the wholesalers at the present time who are paying 75 per cent. of business assessment, and when we consider what it would mean reducing that to 50 per cent., we obtain the figure from the city of Toronto, and in the city of Toronto alone it would mean a loss of \$208,000-odd in assessment.

We also realize there have been changed economic conditions since The Assessment Act was first put on the statute books, back in 1904. At that time, as everyone knows, the wholesalers were buying from the manufacturers and in turn selling to the retailers. That condition has changed materially today. Today the retailers buy directly from the manufacturers, and actually they are short-circuiting, so to speak, the wholesaler, so that economic conditions are drastically changed.

For that reason, we thought, rather than changing one section of The Assessment Act, the entire Act should be looked at in order to analyze, to compare, to evaluate one with the other, the sections of this Act. The same applies to The Municipal Act, The Municipal Board Act, The Local Improvements Act, and The Assessment Act. Therefore, we do not feel it appropriate at this time to do that, although we feel if some of these questions were given to the municipal advisory committee, that they could do a great job in advising the department on just what action should be taken, and how it might be done.

I may say at this time that these are the present members of the municipal advisory committee who have served the department very well, and I might say that 3 other members will shortly be added to this committee to bring it

up to its full complement: the present members are W. H. Heatin, who is clerk-treasurer of the township of York; J. W. McBain, the clerk-comptroller of the township of Teck; Mr. William G. Manning, the clerk-treasurer of the county of Ontario; and Mr. E. C. Reid, the city clerk of the city of St. Thomas.

We realize that assessment is extremely important. When we start talking about provincial grants in relation to the municipalities, in relation to the schools, we realize that the sooner we bring about an equalization of assessment, the better it will be for all.

MR. R. WHICHER (Bruce): May I ask the hon. Minister a question? Did he not tell hon. members that is about to take place next year?

HON. MR. WARRENDER: Yes.

MR. WHICHER: Last year, the former hon. Minister said he hoped it would be going into effect this year.

HON. MR. WARRENDER: That is right.

MR. WHICHER: It is going to be an accepted fact next year?

HON. MR. WARRENDER: That is right.

MR. WHICHER: After looking at the trouble the hon. Minister had about equalization for the pipe lines, I am wondering how he is going to do that for everything.

HON. MR. WARRENDER: It is true we had a little trouble there, but we indicated to the hon. member how flexible we are in our thoughts, and in these matters. We were able to bring about a solution which was a very happy one for everyone, as the hon. member will agree.

This matter is a very complex one. We are dealing not only with about

973 municipalities, but we are dealing with hundreds of school sections; unorganized territories; we are dealing with school boards; we are dealing with different kinds of commissions and boards throughout this province. It is not an easy matter to solve, and that has nothing to do with the particular matter which was discussed at the committee on municipal law.

One might say what has the department been doing about this matter which is implicit in the question of the hon. member. The manual itself was first brought into force in 1950, and provided certain regulations which the assessors of the province were supposed to adhere to. In 1954, that manual—

MR. WHICHER: Could I ask the hon. Minister one more question? He said it had certain regulations which the assessors of the province were supposed to adhere to.

HON. MR. WARRENDER: Yes.

MR. WHICHER: I do not think that is fair, because there is nothing in that manual which says they are supposed to adhere to anything. It is strictly as a guide. One may either take it or leave it.

HON. MR. FROST: Is that a question or a speech?

MR. WHICHER: It is not nearly as long as the hon. Prime Minister's are.

HON. MR. WARRENDER: The desirable ends, towards which the assessors should work, are laid down in the manual. Of course, it is understandable that certain assessors interpret the manual in different ways, and that is why we have some of these discrepancies from county to county and township to township.

However, in order to assist in reaching the objective, we have been making subsidies to the counties. Some \$1,500 each, as a matter of fact, have been given

to 34 of the 38 counties. Because we are giving them assistance, gradually we are reaching our objective, as I say, in bringing about a uniform assessment or equalization of assessment right across the province.

The municipal advisory committee, as a matter of fact, studied this problem and made some very valuable suggestions to the department.

Mr. Speaker, I could speak for some length on this matter, but I think the hon. Prime Minister discussed it quite fully in his remarks, and therefore, I should like to move, seconded by hon. Mr. Cathcart, that all the words after "that" be struck out and the following substituted therefor:

this House expresses satisfaction in the progress being made in sweeping revisions of our real estate taxation system, including the relief afforded residential and farm assessment by reason of the payments to that type of assessment of large per capita grants, and also the fact that the municipal advisory committee, which is representative of the municipalities, is being re-organized to continue the work of the provincial-municipal committee, enabling it to report upon many features of The Municipal Act, The Municipal Board Act and The Assessment Act, and further the House expresses satisfaction in the 3-year plan for education which includes the initiation and use of an equalized form of assessment in the province.

MR. T. D. THOMAS: Mr. Speaker, before you put the question, I would like to ask a question of the hon. Minister. It may influence me in the way in which I may vote.

The other week, the hon. Minister said there were already 600 out of 973 municipalities using the provincial manual. Is it his understanding that, in the next 12 months, the other 373 will be on the provincial manual?

HON. MR. WARRENDER: I would not go that far, Mr. Speaker. But I would say that the formula we are using to bring about an equalized assessment is practically completed and will be applicable to all the municipalities in a very short time, if not now. I think they are just about completed. I think, with that explanation, the hon. member would be willing to go along and vote on this amendment.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Speaker, before we speak to the amendment, may I have your opinion as to whether this particular amendment is in order?

The other night we had a similar situation as exists here. It was suggested the amendment, in effect, was not a negation of the original motion, but here, I suggest, there is something entirely different. What we have is a request of a select committee. That is the essence of the original motion.

The hon. Prime Minister informed hon. members that his only objection was in the fact that the request was far too broad a sweeping investigation. The hon. Minister of Municipal Affairs rose and in effect said, "I agree with the hon. Prime Minister, but what I am concerned about is you might start to investigate The Assessment Act and find it related to some other Act," suggesting, therefore, it would be very difficult to pin-point any particular Act for detailed investigation, without power to relate the investigation to other similar Acts.

We have the unusual situation where, after acknowledging the need for this type of investigation, they rise and say that everything is fine and suggest that nothing be done about it. If that is not a complete negation of the original request I do not know what can possibly be a negation.

HON. MR. WARRENDER: With all respect to the hon. member, Mr. Speaker, the amendment does not say that at all. This is an alternative way of doing it.

The hon. Leader of the Opposition suggests that there is one way of doing it, and that is by a select committee. This amendment makes it quite clear that there is an alternative way of doing it, and it sets out here precisely how it should be done. That is a proper amendment, I suggest.

MR. WINTERMEYER: Mr. Speaker, the amendment starts out, "this House expresses satisfaction in sweeping changes" and goes on to some other phraseology, with reference to the municipal advisory committee.

With deference, Mr. Speaker, may I say it seems to me that the advisory committee is nothing more than a paid employee of the government. It is an advisor to the government; it is not a committee of this House at all.

The amendment then concludes, with language which would suggest that everything is in order. I, for the world of me—unless there be language embodied in that resolution which does not prominently demonstrate itself—find that this amendment in effect says that everything is in order.

MR. WHICHER: The hon. Minister is just patting himself on the back.

MR. FROST: We do not like doing that, but we cannot help it.

MR. OLIVER: I agree, Mr. Speaker. I do not know whether the hon. Minister of Municipal Affairs is short of typewriters or not, but he might have sent a copy of that elaborate document over here so we hon. members could see it first hand.

But as I listened to the amendment, I actually, honestly, do not see how you could rule it as a proper amendment, Mr. Speaker. It does not amend the original motion at all. The original motion called for the setting up of a committee to examine.

Now, a proper amendment would be an amendment which would set up a different type of examining tribunal.

But to go into a declaration as to how the department is working, and how they have placed the assessment, and how they have apportioned the grants, I suggest in all sincerity, Mr. Speaker, is about as far from being an amendment to the original motion as one could imagine.

It is not an alternative; it is not an amendment; it is a statement of government policy as they see it, and with which I do not agree.

HON. MR. FROST: I would point out it is difficult to draw an amendment. I can quite understand the hon. member would have difficulty in drawing an amendment which would not imply some traits of the government, in what it had done.

MR. OLIVER: It sounds like the handiwork of the hon. Prime Minister.

HON. MR. FROST: The amendment says that the provincial municipal committee will be enabled to report on the many features covering the same Act as the hon. member referred to.

MR. OLIVER: On the adequacy of the Act.

MR. D. C. MacDONALD (York South): Mr. Speaker, I just want to say briefly that the hon. Prime Minister has persuaded me I must vote for the motion rather than for the amendment. He made two points, and I want to deal with those points.

First, he criticized the original motion for its great scope — a scope so great that it would be unworkable. I want to suggest, Mr. Speaker, that its scope is one of its merits. I think one of our problems at the moment with the changing social and economic conditions, in the last few generations, is that we have to take another look at the responsibilities of municipalities, and then, having redefined those responsibilities as between the province and

the municipalities, we can equate the revenues that they have available to fulfil those responsibilities.

If the hon. Prime Minister would be able to turn back his mind for a moment to the brief he received in the last two years from the Ontario reeves association, he will recall that one of the things they placed great emphasis on is what they defined as strictly municipalities' responsibilities. Then, they define the other things as items which in effect have been shelved and dumped onto the municipalities, and for which the province gives them something of a grant, leaving the municipalities to raise the balance of the revenue. But they are not genuine municipal responsibilities, which legitimately should fall on the real estate base.

I think its scope is one of its merits, and the sooner we get around to examining the responsibility of the municipalities, and defining them more clearly so we are in a position to equate their revenues, the sooner we are going to be in a better working position in provincial-municipal relations.

The other point that the hon. Prime Minister raised was that this was such a huge job it could not be done between two sessions. Mr. Speaker, so what? The toll roads committee and the air pollution committee met between two sessions. They could not finish their job. They brought in an interim report. This government had no difficulty reconstituting them.

Why can they not repeat that procedure with this kind of committee? I conclude with my opening comments, and I repeat the hon. Prime Minister's reasons and arguments were so feeble he has persuaded me to vote for the motion.

MR. WINTERMEYER: Mr. Speaker, I was going to make a comment, but I can do it in the form of a question. May I ask the hon. Prime Minister whether, in his reference to the explanation of the amendment, he intended to show that the amendment

is in order because it makes reference to the committee which has been set up, the provincial-municipal advisory committee? Is that the essence of the justification for saying that the amendment is in order?

HON. MR. FROST: That would be part of it, yes, but I think this is a reasoned amendment dealing with the review of municipal matters as contained in this Act. This is a reasoned amendment for doing that thing. It does not say, "No, we will not do this at all." This is a reasoned alternative.

Whether the hon. members of the opposition will agree with that or not, I still think that any fair-minded person—I do not want to imply that the opposition are not fair-minded on occasions—but I would think that any hon. member could see that this is a reasoned amendment to deal with these problems.

MR. WHICHER: Did not the hon. Prime Minister say previously in the debates in this session that this advisory committee was going to be set up anyway? He gave us that understanding; he certainly did, and I say the committee has nothing whatever to do with this resolution, because it has already been said that it is going to be there.

MR. R. GISBORN (Wentworth East): On a point of information, Mr. Speaker, have you ruled that the amendment is in order or not?

MR. SPEAKER: I rule that the amendment is not a negation but a reasoned amendment, which does not say that all is well, but it does say that progress is being made, and that an alternative has already been set up in the form of the municipal advisory committee. I would rule that the amendment is in order.

MR. A. WREN (Kenora): Mr. Speaker, speaking on the amendment for just a moment or two, I would like

to direct a question to the hon. Minister of Municipal Affairs without having the amendment before me to read and study.

As we have his motion before us, I do recall his statement in his amendment that we should commend—or words to that effect—the sweeping revisions which are taking place in the various Acts concerning municipal legislation, and we might commend the 3-year plan for education.

Might I ask the hon. Minister just what has been done, and what he proposes to do, in presenting legislation to relieve some of the grave inequities in the separate school system in the province of Ontario?

MR. WHICHER: That is a sweeping revision; let us hear it.

HON. MR. WARRENDER: Mr. Speaker, I cannot answer that question because it is a very particular question and I have not had time since I have been hon. Minister to go into all the ramifications of it.

MR. WREN: What is the hon. Minister's sweeping plan for education?

HON. MR. WARRENDER: As the hon. Prime Minister said at the beginning of the session, we have started this year the grant for education based on equalization of assessment; the second step will come next year, and the third step the following year, in 1959, based on the equalization of assessment.

What those details are I am not prepared to say at present, but the hon. Prime Minister has made it amply clear that this year is the first step in a 3-phase programme.

MR. WHICHER: When the hon. Minister speaks of equalization of assessment, we saw what real equalization of assessment is throughout the province when this government put an equal assessment on each foot of pipe line whether it is in Grey North or the city of Toronto.

MR. SPEAKER: Order. Is the hon. member asking a question or making a speech?

MR. WHICHER: Mr. Speaker, I am asking a question. It is assessed at exactly the same amount no matter where it is in the province. My question is this: if we had a house in Grey North worth \$10,000 and a house in Toronto worth the same amount, is the hon. Minister trying to say that, under the new equalized assessment of his department, the assessment on those two houses would be identical as it is with the pipe line?

HON. MR. WARRENDER: I did not say that. The hon. member ties this in with what he calls an equalized assessment which we discussed this morning, and that was not equalized assessment at all, it was a fixed assessment.

MR. WHICHER: It is uniform.

HON. MR. WARRENDER: A uniform fixed assessment across the province, especially in those townships and counties where there will be transmission alone; it has nothing to do with the equalization factor at all.

MR. WHICHER: It is equal, though.

HON. MR. WARRENDER: It is equal, but it is not the same as the equalization that we have been talking about. As I have said on several occasions, the equalization clause, the formula which will bring up the equalization factor to be used by the government in making grants to municipalities, is based on a common yardstick. It has nothing to do with the other factor at all.

MR. WHICHER: Would the hon. Minister let us have that yardstick, let us have a look at the yardstick and the formula which he says he has, because no one has seen it?

HON. MR. WARRENDER: One of these days, when it is all completed, all hon. members of the House will have ample opportunity to look at these formulae as they apply across the province, and they will know exactly what basis they used for making this grant on an equalized basis.

MR. OLIVER: I am speaking on the amendment, but on the subject at hand.

I have been amazed many times with the manoeuvring of the administration, but never more so than tonight.

The hon. Prime Minister says we do need some revision, we should have a look at The Municipal Board Act: "I have been thinking for some time that some phases of The Municipal Act could be gone into with profit, and The Assessment Act. We are going through times of great change, and there should be some change in The Assessment Act."

The hon. Minister of Municipal Affairs goes further and quotes the former hon. Minister of Municipal Affairs to the effect that these things need revising and bringing up to date. The now hon. Minister agrees with him, and corroborates what he has said, and then turns around and moves an amendment which says that they do not need the thing he said 5 minutes before, that they did need.

Then the hon. Prime Minister gives the hon. Minister a pat on the back because he has done a good job in these things.

I suggest to the hon. members that I am not going to be a party to voting for a recital of this government's good points, because I do not think it has very many of them. I am not going to be moved by political red herrings which have been pulled across the path of this motion.

I am not going to vote for the amendment. I am going to say, in voting against the amendment, speaking as I do in this matter, I believe there is

need for a representation of these matters and I believe the proper way to do it is by a committee of this Legislature.

HON. MR. WARRENDER: At no time did the hon. Prime Minister or myself say in effect or directly that we did not think there was need for change. We said there was need.

However, we pointed out—although the hon. Leader of the Opposition calls these red herrings—some of the background leading up to what the municipal advisory committee has done.

Then we take into account what the hon. Leader of the Opposition says should be done by a select committee. We say by way of amendment that the municipal advisory committee, which is representative of the municipalities, is being reorganized to continue the work of the provincial-municipal committee, enabling it to report on many features of The Municipal Act, The Municipal Board Act, The Assessment Act, and so on.

There is an alternative suggestion in the switching of it from a select committee, which is a proper amendment, and I think the hon. Leader of the Opposition will now vote with us on that suggestion.

The House divided on the amendment:

YEAS:	NAYS
Allan	Gisborn
(Haldimand-Norfolk)	Gordon
Beckett	Innes
Belisle	MacDonald
Boyer	Manley
Cass	Nixon
Cathcart	Oliver
Cecile	Spence
Chaput	Thomas
Collings	(Oshawa)
Connell	Whicher
Cowling	Wintermeyer
Daley	Wren
Davies	
Doucett	

YEAS (*Continued*)

Dunbar
 Dunlop
 Edwards
 Elliott
 Foote
 Frost
 (Victoria)
 Fullerton
 Goodfellow
 Graham
 Griesinger
 Grossman
 Hall
 Herbert
 Hunt
 Janes
 Johnston
 (Parry Sound)
 Johnston
 (Simcoe Centre)
 Johnston
 (Carleton)
 Jolley
 Kerr
 Lavergne
 Letherby
 Lewis
 Macaulay
 Mackenzie
 Maloney
 Mapledoram
 Monaghan
 Morrow
 Murdoch
 Nickle
 Noden
 Parry
 Phillips
 Porter
 Price
 Pryde
 Rankin
 Roberts
 Robson
 Root
 Rowntree
 Sandercock
 Scott
 Spooner
 Thomas
 (Elgin)
 Villeneuve
 Wardrope

YEAS (*Continued*)

Warrender
 Whitney
 Yaremko
 — 65

Amendment agreed to on division.

Mr. A. Wren moves :

That in the opinion of this House it is desirable and necessary that a fur marketing authority be created to give effect to better economic conditions for the Indian citizens and others in Ontario engaged in the taking of wild fur.

He said : Mr. Speaker, in speaking to my notice of motion No. 6, I may say that we in this House, and in the federal House too, have passed very desirable anti-discrimination legislation, which I think is to the credit of the federal authorities and to the credit of the government of the province of Ontario, and certainly I think these anti-discrimination laws and all forms of anti-discrimination legislation should be extended.

But without being too repetitious, I would repeat what I have said, and others have said in this House, that if the Indian population of Ontario and perhaps in the rest of Canada too, belonged to any other ethnic group, they would not tolerate the conditions and the treatment they receive at the hands of the general population.

Mr. Speaker, we have in Ontario, I believe, some very desirable labour legislation, under The Industrial Relations Act—legislation which I hope will be improved considerably with the report of the select committee appointed for that particular subject.

We have too, I think, some eminently desirable farm marketing legislation which, as this session concludes and His Honour gives his assent, I think will vastly improve conditions relating to the marketing of goods produced on our farms.

I think one section of our population, and more particularly one which is not

treated in the manner in which I think it should be, is that group engaged in the marketing of natural resources taken by those people who are instinctively bound to their way of life and to their economic conditions in the taking of wild fur.

Up until quite recently, the economic value of fur to this province was very impressive indeed. It still is a very impressive cash crop, in relation to the economy of the province, considering the proportionate number of people engaged in that particular activity. It is only the present market condition which brings down the dollar value of that commodity.

I think it is high time some steps be taken to provide these people with the same type of legislation, at least, which our labour groups have and which our farm marketing agencies possess, and I would say that these people are not entirely without reason and not entirely without some demand upon considerations which we do not extend to them.

In reference to that, I might point out what some perhaps might consider simple suggestions, but nevertheless some rather significant impressions of how intelligent these people are, despite some opinions which there may be to the contrary.

In the last provincial election, for example, it was the first time these people were given the franchise in this province, one of the first jurisdictions to give the franchise to the Indian people anywhere in Canada. And in some polls in my own riding, it was significant indeed that the Indian vote in polls, 73, 78, 89, 101, 126 and several others was negative for the CCF, negative for the Liberal party, and 100 per cent. for the Progressive Conservative party.

Before the applause becomes too great, I might point out some very simple mathematics in that connection. For example, in poll No. 78, where the poll for the CCF party was negative and for the Liberal party was negative—

HON. MR. FROST: Mr. Speaker, may I ask the hon. member for Kenora what this has to do with the fur industry?

MR. WREN: I am pointing out the obligation which this administration has toward these people. By simple mathematics, for instance, in poll No. 78, there were 82 people who voted, and these 82 people voted Progressive Conservative. There were 100 people on the list, 18 did not vote, and yet there were 4 rejected ballots. And of course as we go down the list, mathematics bear out the same relation in respect to a good many of these polls.

HON. MR. FROST: Some must have been sworn on the list. That happens, I believe.

MR. WREN: Oh, yes, but if the hon. Prime Minister will notice, that is taken into account.

HON. MR. FROST: How does the hon. member take it into account?

MR. WREN: They are very resourceful people, and they not only provided their full number of voters as on the list, but literally climbed golden stairs into an aircraft at 2,000 to 3,000 feet in doing it. However, I simply point out to the hon. Prime Minister and this administration that they do owe some obligation to these people.

But quite seriously, the economic life of the Indian population, particularly in the remote areas, depends to a great degree upon the cash they receive in return for their fur crop. And as I said in my budget speech the other day, I do not think any other group of people, or of producers anywhere in Canada, is "taken to town" more than are the Indian people by the people who trade with them. Not only are they beaten very severely indeed as to the price they receive for their furs — many times about 20 per cent. of what it actually brings on the final market — but they are also charged double, triple and some-

times quadruple the retail value of the necessary goods and foods which they receive in exchange for these furs.

I believe most hon. members of the House have wives, and perhaps daughters, who become the recipients sometimes of clothing graced with fur, and I think it is significant indeed to note that the price of the consumer level for these products has not dropped very significantly in the last few years. But the cash income to these people has certainly suffered a very definite and serious decline indeed.

As I mentioned before, this is one of their principal means of livelihood and I think it is time, and I feel the time is now, when plans should be undertaken to provide an agency whereby these people, and any others engaged in the taking of wild fur, might pool their resources and their economic abilities, as it were, to obtain a fair return for their effort and for the product they supply.

In connection with that subject, Mr. Speaker, may I say that under date of March 21st, in regard to another question on the same subject, I received a communication from The Department of Lands and Forests here, which says in part, referring to fur marketing:

The establishment of a government fur marketing agency in Ontario would be a very large undertaking and there is, I think, no reason to think as yet that some other step might not be adequate.

Our feeling insofar as a co-operative fur marketing arrangement for Indians is concerned, would be that the federal Indian affairs branch should make the arrangements. They have already done this in Quebec and we have licenced their officers for fur collection in James Bay. We would be prepared to give them full co-operation.

Since receipt of that letter, I have discussed this at some length with some of the people concerned in Ottawa, and it is my belief, which I have no reason

to extend officially because I have no authority to do so, but it is my belief that if the Ontario Department of Lands and Forests would extend that licencing arrangement, which we now have in James Bay and which is already done in Quebec, over into the Patricia area and the area west of James Bay and Hudson Bay, over to the Manitoba boundary, I think something suitable and desirable might be worked out.

I am not concerned too particularly whether it is a federal agency or a provincial agency which undertakes this task, but I am concerned—and seriously concerned—that the task be undertaken by some agency, and I might suggest too, in all sincerity, that we cannot continue to wait for the federal authorities to take the initiative in important matters of this kind.

I believe personally that the federal Indian affairs branch should have established a scheme of this kind a good many years ago, but the fact that they did not do so is no reason why we, as citizens of Ontario who accept, as we should, these esteemed citizens as part of our way of life in Ontario, should continue to wait for Ottawa to act.

If some suitable arrangement could be worked out and the hon. Minister of Lands and Forests would give the assurance that it would be worked out, Mr. Speaker, I would be willing to withdraw the motion and ask that the order be discharged. If the hon. Minister is not able to give me that assurance, I would say that the text and the meaning in the sense of the original motion would stand.

But I do appeal to hon. members of the House to do everything in their power to, first, stop the "racketeering" which does take place between the Indian population, particularly in the remote areas of northwestern Ontario, and the final price of sale of their products, and at the same time take into consideration the public charge these people will become upon us, through no fault and through no desire of their own, unless hon. members responsible for legislation in this province take steps either through

our own agency or through our influence upon the government at Ottawa to see to it that one of their principal means of livelihood is protected to the point where they will receive a fair return for their efforts put forth, for their hardships suffered, and for the contribution they have to make to their own homes and families as human beings like you and me.

Mr. Speaker, I move, seconded by Mr. Gordon, that in the opinion of this House it is desirable and necessary that a fur marketing authority be created to give effect to better economic conditions for Indians and others in Ontario engaged in the taking of wild fur.

HON. C. E. MAPLEDORAM (Minister of Lands and Forests): Mr. Speaker, speaking to the resolution, there is some difficulty in my mind relating to the discussion by the hon. member for Kenora. He was primarily speaking about Indians and then part of his resolution said, "others in Ontario engaged in taking wild fur."

We in the department have done a lot in the last 4 or 5 years to better the lot of the trapper. We re-zoned all the lines in Ontario, set up a trappers' council, helped organize the trappers and to the best of my knowledge this scheme is working and is of benefit to trappers generally across the province.

Amongst the trappers are some Indians, but the Indians generally have not joined the councils and associations. I suppose they lack the knowledge, or the distance they have to travel is a deterrent.

We feel that this is one way to approach the subject and consider we have done a reasonably good job in the time we have been at it. While I do not accept the full responsibility of the problem in the Patricia district—I do feel that it is the responsibility of the Indian affairs branch at Ottawa—we have always worked closely with that branch and they have had nothing concrete to suggest along these lines.

If we could have a programme of education, along these lines, from the Indian affairs branch, it would help to bring these Indian trappers into the trappers' councils and associations, and it would do a great deal to eliminate the problem we have.

For example, for the first time we brought some Indian trappers from the Kenora district to Toronto, at our own expense, to sit down and discuss ways and means of bettering their working conditions, the sale of their furs, and to actually inform them of what has been going on during the last 4 or 5 years in relation to trapping in Ontario. I think if the hon. member for Kenora were now to discuss this problem with these people he would find their thinking on what we are doing is entirely different from what it was in the past.

Two years ago we organized one of the first fur auctions in Ontario at Huntsville. It was a very successful auction. As the hon. members of this House know, most fur auctions are held at Montreal or New York.

The trappers' associations decided they were going to have a fur auction and they set it up and the trappers got practically twice as much for their furs by handling it through their own organizations with the help of our officials. Then this year they held a fur auction in Sudbury, and there is no reason why these fur auctions cannot be scattered around different parts of the province. In different districts, so that each group of trappers will come to understand what we are trying to do.

We feel we are doing a job for the trappers that might also be done for the fisheries in the Patricia district. If the federal government would do something with the fisheries, and teach the Indians how to handle the fisheries, I think the Indians in the Patricia district would make a very good thing of it.

I have been told by people in private enterprise that the thing to do is to get the Indians to accept the responsibility of running these things, but they do not seem to want to do it as long as they

have some one to run it for them. It goes back many years to the time when all responsibility was taken away from them. It is up to the federal government to make some effort in this direction.

I say to the hon. member for Kenora that I think we are doing a reasonably good job. We believe these fur auctions can be extended into the Patricia district. It is educational, and I think the federal government should be doing something along those lines. I know our department is very interested in it, and if we could get some of the Indians to take on these jobs, we would be happy to have them do it.

MR. MacDONALD: We wish to support this motion, Mr. Speaker, and I can state our reasons very briefly.

Fur marketing is a very complex business with centres in Montreal and New York. As the hon. members of this House know, local auctions are being established in various centres where there happen to be enough furs that could be brought together. The result is the trapper or the Indian, whoever is involved in getting those wild furs to market, is in the position of being a helpless pawn in the big game—and a helpless victim. This has gone on for centuries.

Therefore, the proposition of a fur marketing agency which will establish and organize this business, making it possible to provide the necessary personnel and know-how, thereby securing as much return as possible for their furs, eliminating the middleman who wants to come in and get them for as little as possible and sell them for as much as he can get in Montreal and New York—all this is a very good idea.

As a matter of fact, this was obviously such a good idea that when the CCF was elected in Saskatchewan, they did not talk about it but put it into effect. It has been in effect in Saskatchewan, and I think the hon. member for Kenora, who is close to Saskatchewan, has had the idea seep across the border to him and he brought it down here. I support his motion.

HON. MR. MAPLEDORAM: I would like to make it clear that we were doing something along this line. We were setting up fur councils and were setting up fur auctions. It is a matter now of getting it set up in that part of the district.

HON. MR. FROST: May I say to the hon. member who moved this resolution, and to the hon. member for York South, that a fur market, such as is suggested by the hon. members, is obviously a mandatory market. It cannot be anything else. I would suggest that they take the hon. member for Brant and go down and try to arrange a mandatory market in Ohsweken and see if they come out with their scalps.

MR. MacDONALD: It does not have to be a mandatory market.

HON. MR. FROST: It could not be anything else. That is the difficulty about it. When I spoke of Ohsweken I spoke as a chieftain. Anyone who knows Indians would know that, with the regard they have for their treaty and their rights, that they would be 100 per cent. Progressive Conservative because they know we stand for their rights.

I point out to the hon. member for Kenora that, of course, we are interested in this. As he knows, The Department of Lands and Forests, on a voluntary basis, is doing that very thing at the present time. As a matter of fact, it could not be done any other way than on a voluntary basis. There is the problem of taking the necessary vote of these people; they may vote 100 per cent. Tory, but it is difficult to get them to vote 100 per cent. in an arrangement such as this, or anything approaching it.

I may say this resolution, as I drew it myself, I hope is within the rules of the House. I have endeavoured to make it that way. I may have been a little unsuccessful, but nevertheless, I think it will convey to the hon. members of the House what we are trying to do.

I move this amendment, seconded by hon. Mr. Porter, that all words after "that" be struck out and the following be substituted therefor:

owing to the fact that a substantial portion of our Indian citizens have submitted their treaty rights relative to economic and other conditions should be with the federal government, this House expresses satisfaction that The Department of Lands and Forests is creating local markets for fur on a voluntary basis, which will avoid imposing mandatory conditions on our Indian citizens.

I thought that would meet the point of view of the hon. member for Brant—voluntary—and I have very carefully drafted it to meet that situation.

MR. WREN: Speaking to the amendment, I want to make abundantly clear what I said when I was speaking on the motion, that I am not concerned which level of government takes into consideration the plight of these people and the proper marketing of their product.

I am not unmindful of the fact that The Department of Lands and Forests has done a great deal for these people; I am not unmindful of the fact that the first proper fur marketing scheme was established by the present Department of Lands and Forests in the northern part of the province.

But these people are still being subjected to most inhumane treatment in the marketing of their product. It is not through any fault of this administration—I do not suggest that for a moment—but I do suggest, and I am going to stick with my original motion in this respect, that a fur marketing agency be set up; and it need not be mandatory.

I think that it is quite possible to extend the facilities that the hon. Minister talked about in Sudbury, where they received almost twice as much for their furs when they were handled by fur experts and put on the market in a proper manner, and without half-a-dozen intermediaries taking their slice of the profits.

I do not think there is any necessity at all that there should be anything mandatory or compulsory about it; and I think, as is suggested in the department's letter of March 21, 1957, if this arrangement which they already have with the federal government, which is already in effect in Quebec and in the James Bay area of Ontario, were extended westward, and the Indians and other people engaged in the fur business were encouraged to market their furs, not on a compulsory basis at all, but encouraged to market their furs through a central agency, I think it would eliminate these expensive middlemen.

There are a lot of high-binders in and around the north country who should not have fur-buying licences at all, which were issued by this administration, and I suggest that there are one or two very well-known international companies operating up there who, I repeat, not only pay them 20 per cent. of the worth of their product, but who charge them 300 to 400 per cent. of the value of the retail goods they take in exchange.

Therefore, Mr. Speaker, I cannot support the amendment, and I am going to stay with my original motion that a fair marketing scheme be established.

MR. SPEAKER: I declare the amendment to the resolution agreed to.

Mr. T. D. Thomas moves, seconded by Mr. MacDonald:

That in the opinion of this House a public automobile accident insurance plan of universal coverage affords more equitable treatment of motorists and better protection for the general public than the financial responsibility and unsatisfied judgment provisions of The Highway Traffic Act.

He said: Mr. Speaker, on two resolutions this evening we have had two strikes, and I am not too hopeful that I may not be the third one that will be struck out, although I am hopeful that, perhaps, some of the hon. members of the government might see the light and support this resolution.

I am quite sure that the hon. Minister of Highways looks favourably upon it, and will have an opportunity to speak to my resolution in the course of the evening.

This resolution, Mr. Speaker, suggests a public accident insurance plan of universal coverage as preferable to a financial responsibility system such as exists at present in Ontario. There are several different methods, some more effective than others, whereby this responsibility is imposed on motorists and, in my opinion, the best method of all is that whereby all motorists are required to pay a certain amount annually into a fund, and then compensation is paid out of the fund according to a prescribed scale. That is what I mean by a public automobile accident insurance plan of universal coverage.

As is well known, Mr. Speaker, a plan of this kind has been in effect in the province of Saskatchewan for nearly 11 years. I do not suggest an Ontario plan of this same type in every detail as the Saskatchewan plan would be appropriate in the province of Ontario. Conditions in Ontario are, of course, entirely different, and any plan adopted in this province would necessarily have to suit conditions prevailing here.

Nevertheless there is no question in my mind that plan operating in Saskatchewan is fundamentally sound and should be adopted in Ontario.

When the first plan was first introduced in Saskatchewan it was the subject of extreme political controversy, but this is no longer so. The plan is still criticized, of course, by many of the insurance companies, but no political party in the province of Saskatchewan now dares attack the fundamental plan itself.

I do not think the present unsatisfied judgment fund operating in Ontario can be supported any longer. At best it is a costly and cumbersome way of dealing with the problem.

An accident victim must first establish his claim in the legal courts. Having done that, he must next prove before

a judge that the uninsured driver cannot pay the damages and then make an application for payment out of the unsatisfied judgment fund.

Legal costs in connection with the litigation are sometimes very high. I think most of the hon. members can remember the figures presented to the assembly by the hon. Minister of Planning and Development in 1953. He, at that time, had some very caustic comments to make on the unsatisfied judgment fund. So far as my personal experience is concerned in my own riding, I have never found anyone there who is satisfied with this unsatisfied judgment fund; and I feel that most hon. members of the assembly have had the same experience.

HON. MR. FROST: Might I ask the hon. member for Oshawa if he would suggest, under any conditions, doing away with the unsatisfied judgment fund?

MR. T. D. THOMAS: And place in its stead?

HON. MR. FROST: The point is this: if it is nothing else, it is a great protector of the citizen and his family who may be victims of the hit and run drivers. Would the hon. member abolish that?

MR. T. D. THOMAS: Mr. Speaker, I may say I have had 3 or 4 in my riding where it has been very costly; people got no protection at all out of it.

HON. MR. FROST: Would the hon. member abolish it?

MR. T. D. THOMAS: As far as those people down there are concerned, yes, and introduce compulsory insurance.

HON. MR. FROST: Compulsory insurance does not cover hit and run drivers. I would say to the hon. member that the unsatisfied judgment fund pays out tens of thousands of dollars. I have not the figures in front of me, but

I imagine it would pay out in the order of \$2 million a year to people who otherwise could not get a cent. Is that not a great thing?

MR. T. D. THOMAS: Well, last year in the Legislature when a discussion took place on this very thing, during the presentation of the estimates of the hon. Minister of Highways, I brought to the attention of the House, at that time, the case of an individual in my riding who had been involved in an accident and the amount of damage was about \$250.

The driver of the car had no insurance, and this individual went along to his lawyer and at first he was asked for \$100 and then an additional \$50 after 6 months, and I mentioned this to the hon. Prime Minister —

HON. MR. FROST: That is not the fault of the fund.

MR. T. D. THOMAS: The hon. Prime Minister said, "I would advise the hon. member for Oshawa to change his lawyer."

Since that time the victim has gone along to another lawyer and paid another \$50 — \$200 altogether to collect a bill of \$250 from the unsatisfied judgment fund, and now he is not likely to receive anything at all.

MR. DOUCETT: He would get the costs back.

MR. A. GROSSMAN (St. Andrew): Mr. Speaker, with respect to legal fees, does the hon. member feel if there is compulsory insurance, that he still would not feel the need to protect himself by hiring lawyers and so on to collect?

MR. T. D. THOMAS: They would be cut down considerably. If one takes the situation in Saskatchewan, they have prescribed rates there. If one has a question of damages, there is no need to go to a lawyer in the province of Saskatchewan.

MR. GROSSMAN: The hon. member feels he would not require any lawyers if he had compulsory insurance?

MR. T. D. THOMAS: Legals costs would not be quite so expensive as they are now.

MR. GROSSMAN: That is a matter of opinion. Lawyers can raise their fees.

MR. T. D. THOMAS: We can prove that by the province of Saskatchewan. One of the reasons, of course, why compulsory automobile insurance is objected to is because the insurance companies see a great danger that they may lose some of their business.

I want to give an extract from a speech given by Mr. J. Dewey Dorcett, the general manager of the association of casualties and surety companies. At his report to the association in the spring of 1950, among other things, Mr. Dorcett had this to say, and I quote:

I doubt if there is a person in this room who does not recognize as I do that recent efforts to promote compulsory automobile insurance laws involving the introduction of bills in an unprecedented number of Legislatures, and the widespread use of publicity, confronts the casualty side of our business with one of its most serious defects and threats in two decades.

I am sure most of you must feel as I do that if the present crusade to enact more compulsory automobile insurance laws succeed, automobile liability insurance may well be written by the state instead of the free enterprise system — insurance companies.

When a substantial number of states have placed statutes upon their books which say to every motorist that they must carry insurance, it will not be long before the people reply, "All right, but you write it for us."

Mr. Speaker, a week ago tonight I was privileged to attend a banquet in the city of Oshawa to pay tribute to Mr. Wecker, the ex-president of General Motors. I was very happy to do that because I always found him a gentleman and a very fine Canadian.

But before the banquet got under way, I was speaking to a group of business men there and they asked me why I was away from the Legislature because of the night session, and I said: "Well, this is a commitment I had made some months ago. But," I said, "you know, gentlemen, I am a little fearful that perhaps I did the wrong thing. I have a resolution on the order paper and I am afraid the hon. Prime Minister might call it late in the evening when I am absent."

HON. MR. FROST: I am a nice fellow.

MR. T. D. THOMAS: The hon. Prime Minister has done it on other occasions. But anyway, I thought here was a good opportunity of testing out the idea of compulsory automobile insurance, and I said, "What do you gentlemen think about compulsory automobile insurance?" One of them, a very wealthy individual too, said, "I am 100 per cent. for it, but let the government write it."

I would suggest to the hon. Prime Minister that the plea for compulsory automobile insurance is held very strongly by a good many people outside this Legislature, and if he is really representing Old Man Ontario, then I think he should go out occasionally and talk to some of the people and find out what their opinions are about the unsatisfied judgment fund. I think he would be criticized very strongly.

Whatever the fate of this resolution, Mr. Speaker, I believe the majority of the people in Ontario would support a compulsory automobile insurance plan, and I appeal to hon. members of this assembly to rise and support this resolution. I think it is about time we had

something to displace this unsatisfied judgment fund in Ontario. It seems a crime, even with the increase of \$1 to the \$4, it is still far too low.

By the way, I may say that in the state of New Jersey, it is now \$6 for each individual.

They pay \$4 which I think is fair. However, they should pay more than a person with insurance on a car. I agree with that. In fact, the \$4 is far too low. I think it should be much higher.

But the thing is this: they pay \$4 into the fund and then if they are involved in an accident and the damages are claimed out of the fund, although they paid the \$4 into that fund, they have to pay every penny awarded against them into the fund before they get their licence for the car returned.

Therefore, I appeal to the hon. members of this assembly to support this resolution.

HON. J. N. ALLAN (Minister of Highways): Mr. Speaker, speaking to the resolution, I may say that we have given considerable study to the advisability of compulsory insurance in this province, and in that study we have endeavoured to learn from the experience of those jurisdictions where it is in effect, and what has happened there.

As a matter of fact, there are only 3 jurisdictions in the North American continent where compulsory insurance is in effect. Those jurisdictions are the state of Massachusetts, the state of New York, where it came into effect since the 1st of February last, and the province of Saskatchewan.

The state of Massachusetts naturally was the state that had it for some time, since 1927, and in studying their experience, this is what we found:

The law applies in the state of Massachusetts only to public liability; that is, there is no compensation whatsoever for property damage required in the compulsory legislation.

The law does not afford protection in the following circumstances: damages arising from accidents occurring off state highways; damages caused by stolen vehicles; damages caused by hit-and-run motorists; damages caused by vehicles operated illegally without insurance; damages caused by vehicles operated without the owner's consent; damages caused by non-residents; and damages caused to property.

The argument is very often advanced that it promotes safer driving. The commissioner of insurance for Massachusetts, after the law had been in effect for 14 years, said that a careful examination of the Massachusetts motor vehicle law fails to indicate a single provision which is conducive to highway safety. The law has increased claim consciousness because of the knowledge that insurance is available in every personal injury claim.

I might give hon. members some of the rates which are in effect in the state of Massachusetts. Before I do this, I might say that these rates are not considered adequate by the companies, and as a result they have been trying for 3 years to increase the rates, and I believe the matter is in the hands of the Supreme Court of the United States and is still in the courts.

Class 1 is a vehicle used for pleasure purposes only with no driver under the age of 25 years. In giving comparable rates, I must say that this might not be correct to the cent because when these were obtained there was a difference in rates charged by various companies with the thought of being as nearly accurate as was possible.

We took the city of Boston as compared to the city of Toronto, and rural Ontario with rural Massachusetts. The cost of a policy of \$5,000, \$10,000, and \$5,000 in the city of Toronto is \$25.50 for the class I have mentioned, that is, a vehicle used for pleasure purposes only with no driver under the age of 25. The premium in Toronto is \$25.50 and in Boston \$123.50. In rural Ontario, the premium is \$17.80 and in rural Massachusetts \$43.50.

Class 2, which is a vehicle used for business purposes, no drivers under the age of 25; in Toronto it is \$42.20 and in Boston it is \$154.50. The rural Ontario premium is \$30.000 and rural Massachusetts, \$51.50.

Class 3 is a vehicle used for business or pleasure and with drivers under 25 years of age there is no difference in the rate to class 2 and 3 in Ontario, and the rate is still \$42.20, and the rate in Boston is \$204.00. The rate in rural Ontario is the same and the rate in rural Massachusetts is \$71.00.

That indicates the increase in insurance rates which have occurred in the state of Massachusetts, where compulsory insurance has been in effect.

MR. WHICHER: Does the hon. Minister give that as a reason why they are so high—because there is compulsory insurance there? Is that the reason?

HON. MR. ALLAN: It is necessary to insure everyone, of course.

MR. WHICHER: Why would it be, in the state of New York where they have not compulsory insurance, the rates are higher than in Massachusetts?

HON. MR. ALLAN: I did not say that.

MR. WHICHER: Well, they are, so what is the hon. Minister's comment about that? In the state of New York, where they did not have compulsory insurance, their rates are higher than in Massachusetts.

HON. MR. ALLAN: I am just taking the rates as they are in Massachusetts and as they are in the province of Ontario.

This is rather a bit of interesting information: since the enactment over there, more than 700 bills have been introduced in the Legislature to amend or limit the present law.

In the province of Saskatchewan, the hon. member for Oshawa has just men-

tioned the benefits from the compulsory insurance as it exists there. I do not have a complete table of the rates, but I would point out to the hon. member the case of a man who had trouble collecting \$250.

I think the hon. member knows that, in the province of Saskatchewan, there is a \$200 deductible property damage clause in each policy. Rates there have been steadily increasing, and the package policy this year was raised as much as 76 per cent.

Who would not be pleased if every car was insured? It is the intention of this government to encourage that, and we feel the step which has been taken this year is going to encourage the insurance of more cars in this province.

I would point out that the unsatisfied judgment fund performs a great service to the motorists of the province, and as the hon. Prime Minister pointed out, whether there was compulsory insurance or whether there was not, it would certainly be desirable to have the unsatisfied judgment fund, because without that, one would have no protection from uninsured cars coming from the United States or other provinces. There would be no protection from the hit-and-run driver, no protection from the person who is supposed to be insured and is not insured.

After a great deal of consideration, I would like to move, seconded by hon. Mr. Nickle, the following amendment to the resolution: That all the words after "that" be struck out and the following substituted therefor:

in view of the fact that the unsatisfied judgment fund is necessary to provide protection from what is known as the hit-and-run driver case, and out-of-province vehicles which would not be covered by mandatory insurance, and whereas it is desirable because of the probable increase in premium costs under a mandatory coverage, that further study should be made of the experience in the state of New York and other comparable jurisdictions to our own, that in the opinion of the

House the whole problem of insurance coverage should be studied by The Department of Transport which is being set up by this session of the Legislature.

MR. G. C. WARDROPE (Port Arthur): Mr. Speaker, may I say something on this? I have read a great deal about compulsory automobile insurance and I am interested in the resolution which the hon. member for Oshawa has brought forward, and I reiterate what has been said by the hon. Minister of Highways; we would certainly be pleased to see everyone insured, but compulsory insurance is not the answer.

I would like to point out to the House some of the things that have been devolved by those who have made a study of the subject. It is pointed out that the compulsory insurance law is not a safety measure. Mr. Justice Hodgins of Massachusetts had this to say on the subject:

The best opinion of compulsory insurance legislation, as for example that of the state of Massachusetts, is that the psychological effect of compelling everyone to take out insurance is the reverse of making them careful, that everybody knows that everybody else is insured and that in case of an accident the insurance company, and not the person causing the injury, will have to pay the costs.

The more this view is considered, the more reasonable that becomes. I found no one either in Massachusetts or elsewhere who would venture to assert that their compulsory insurance law had any effect on reducing the number of accidents.

Now, the report of the committee of the New York bar association might be interesting:

One of the principal objections to compulsory insurance is that it will not reduce accidents by driving the careless operators from the road. Rather, it will tend to increase accidents by keeping many careless

drivers on the road. And, most important of all, it will encourage all drivers to be careless because they are protected by insurance.

It is undoubtedly true that if a compulsory law is enacted, many who own cars will not be able to continue to do so on account of the insurance cost. As a result of that, they will be driven from the highways. However, among those will undoubtedly be a great number whose record shows that they have been careful drivers who have never had an accident.

Now many people believe that the enactment of the compulsory insurance law is the solution to the problem of highway safety. Nothing could be farther from the truth. A further examination of the Massachusetts compulsory automobile insurance law fails to indicate a single provision which is conducive of highway safety.

Mr. Speaker, there would be a substantial increase in the cost of insurance. It is contended that the adoption of compulsory insurance tends to increase rates paid by everyone for liability insurance, as will be seen from the following quotations:

It is said that this increase stems from the increase in claims consciousness on the part of the public, giving rise to increased claims and adjustment expense, exaggerated and fraudulent claims and the restriction of underwriting selection on the part of insurance companies—in other words the compelling of the insurance of bad risks.

Mr. Speaker, I think that about sums it up, with the exception of the last thing I would like to mention:

There may be little doubt that the effect of a compulsory automobile insurance law would be to impose a burden on the farmers and workmen not now borne. It is, of course, argued on the other side that these are the people who are financially irresponsible, and before driving should be

required to give proof of their ability to respond in damages for any accidents for which they may be responsible.

However, it does not by any means follow that in order to benefit a few injured persons, this scheme necessarily is the one to adopt. It may well drive very careful drivers from the road, involving an economic loss which is unjustified by the benefit accruing therefrom.

Now, the measure of that benefit as against the economic burden imposed requires very careful weighing, Mr. Speaker. Commissioner Harrington very properly points this out in his remarks quoted in the New York bar committee report:

Also, as will be seen, there are many cases where, under the compulsory law, accident victims go uncompensated. It by no means follows that by the adoption of a compulsory law, every automobile accident victim has recovery. The question is: are there a sufficient number of cases now uncompensated to justify the adoption of compulsory insurance with its many obvious burdens and disadvantages?

In my opinion, Mr. Speaker, and as the hon. Minister of Highways has said in his opinion, and in the opinion of many more in this province, we are not ready for a compulsory insurance law and it would not be a good thing.

MR. T. D. THOMAS: Mr. Speaker, there is one brief comment I would like to make in respect to the amendment. The highway safety committee made the recommendation some two or three years ago that all those under 25 years of age should be compelled to file proof of financial responsibility.

My argument is this, that records prove that there are more persons irresponsible over 25 years of age than there are under 25. That statement was made, I think, in the committee by the hon. Minister of Highways the other

day, that accidents resulting through persons over 25 were far greater than those under 25.

The hon. member for Port Arthur has stated that, if there is an increase in the accident rates through compulsory automobile insurance, obviously there would be an increase in the insurance rates. I just want to give hon. members these figures and then I am finished. That statement is not true as far as the province of Saskatchewan is concerned. These are the figures presented by the hon. Mr. Fines, Provincial Treasurer of Saskatchewan, last January:

In Saskatchewan, personal injury without regard to fault — they covered for that in the policy in Saskatchewan. In Alberta, a private company, no coverage.

(2) Collision, \$50 deductible in Saskatchewan; same in Alberta.

(3) Comprehensive, no deductible. The same in Saskatchewan and Alberta.

(4) Passenger hazard, \$50,000 and \$100,000 limits. The same in Alberta, with a private company.

(5) Public liability, \$60,000 and \$120,000 limits. In Alberta \$50,000 and \$100,000.

(6) Property damage, \$7,000. With a private company in Alberta, \$5,000.

Now the cost of the premium:

The cost in Regina, \$67; rural Saskatchewan, \$55. The cost in Edmonton, \$135.10; and in rural Alberta, \$99.95.

Mr. Speaker, anyone can have a look at those figures; those are the official figures given by the hon. Mr. Fines, the Provincial Treasurer for Saskatchewan.

MR. MACAULAY: What date were those figures?

MR. MacDONALD: In the last two months.

MR. SPEAKER: The hon. Minister of Municipal Affairs has the floor.

HON. MR. WARRENDER: Mr. Speaker, I do not know the registration, but it is obvious that the number of cars registered in Saskatchewan is much less than in the province of Ontario, one-sixth, the hon. member says. Therefore, he cannot compare them. Then there is the question of roads. I have been in Saskatchewan, and they have a series of mud-holes and bumps. The incidence of accidents there is very small.

One point I would like to make, Mr. Speaker, is this: there is a law at the present time which says that when one is conducting a trial in civil court before a jury, no one is permitted to say that the defendant is insured in the presence of a jury. The reason for that is obvious, because immediately the jury would "up" the claim if the defendant were found liable.

One can well understand, therefore, that if compulsory insurance became the law of this province, all jurors would then of course know that everyone is covered and the rates would jump; there is no doubt about that.

That means that people are "claim conscious", as the hon. member for Port Arthur says. That means that all the awards handed out by jurors would be much greater, and that means that the cost of those awards would be reflected through the premiums, and the premiums are bound to jump, there is no other conclusion one can come to.

So I go along with the hon. Minister of Highways and say that this matter must be given a great deal more study than it has had at the present time, because the experience in Massachusetts, and what is happening in New York today causes one considerable concern.

MR. MacDONALD: Mr. Speaker, I am not going to take a great deal of time here, but there are a number of points that have been raised that are just factually inaccurate and in terms of an expression of opinion I submit are absurd. I want to consider them for a minute.

The proposition that because a man is insured he is therefore going to become a more careless driver I submit is, on the surface of it, absurd.

AN HON. MEMBER: Who said that?

MR. MacDONALD: The hon. member for Port Arthur said that, and I assume he is an intelligent man, and is he going to argue that, because he has coverage on his car, he is going to be less careful than if he did not have coverage?

MR. WARDROPE: That is a fact.

MR. MacDONALD: Then there is the idea that if everybody is brought in, the rates are going to increase. The reason why we have compulsory hospital insurance, when there is a government plan, is so that the plan will take everybody in and in that way we get our reduced rate.

The hon. Minister mentioned that the rates are increasing steadily in Saskatchewan.

HON. MR. ALLAN: The subsidies have been increasing.

MR. MacDONALD: There are no subsidies. Mr. Speaker, I will make my 3 points —

HON. MR. FROST: May I ask the hon. member a question? Is he aware of the fact that last spring there was an election in Saskatchewan, and a very short time after the election the insurance rates were raised?

MR. MacDONALD: What happened in Saskatchewan is that there is a province-wide co-operative plan of car insurance, in conjunction with which they have a good safety programme. If their accident rates are such that great payments are made, then they have to raise their rates, but it also holds that when they have good years, they have been able to cut their rates as they did about two years ago.

There are a couple of other points raised by the hon. member for St. Andrew — he is not in his place. I think an important aspect of this proposition is the requirement for legal assistance, and how to get a settlement of one's case. The fact of the matter is, in the province of Saskatchewan there is no necessity of getting legal assistance at all, unless there happens to be some criminal aspect involved in the accident.

If there is an accident — and the great majority of the accidents are acts of God or momentary carelessness or something of that nature — as long as an accident is recorded with the assessment, then the payment is made. The majority of accidents are not through criminal action — the hon. member for Renfrew South is laughing.

MR. J. MALONEY (Renfrew South): I rise to a point of order. That is not why I am laughing. I am laughing because the hon. member for York South is, as usual, so ridiculous in his argument that I could not help but laugh.

MR. MacDONALD: I wish the hon. Minister of Municipal Affairs, in regard to benefits, instead of taking the Massachusetts plan, had used the Saskatchewan plan. In Saskatchewan, they have all the normal collision and public liability coverage, but in addition to that, they have out-of-work benefits for a person who happens to have suffered in an accident. They have funeral benefits and dismemberment benefits for anyone unfortunate enough to have lost a limb.

MR. MALONEY: With a tax of 3 per cent.

MR. MacDONALD: The tax of 3 per cent. has nothing to do with it. The plan is not part of the consolidated fund and no moneys come out of the consolidated fund and no revenue from the insurance is put into the consolidated fund. It is a separate fund.

My final point, and this is the only point I was originally going to make when I rose is this:

When persons buy insurance, they want to get value for their money, and the interesting proposition is, what percentage of the premium dollar is going back in payment of claims. This, I suggest, cuts through all the argument as to varying rates and everything else, because, admittedly, there are different conditions in different provinces and the rates cannot be compared with complete accuracy.

What percentage of the premium dollar is returned in claims? I would suggest the hon. member for Port Arthur just listen for a moment. Here is last year's assessment of automobile insurance companies' records as contained in the *Financial Post*.

MR. WARDROPE: How many cars are there in Saskatchewan?

MR. MacDONALD: This is dated April 21, 1956. As a matter of fact, they have more cars per capita, or as many, as we have in Ontario.

MR. MALONEY: Which is it, more or as many?

MR. MacDONALD: They have about as many.

MR. SPEAKER: Order, order.

MR. MacDONALD: On April 21, 1956, last year, the *Financial Post* reports—this is as regards the record of an insurance company with gains in premium earnings more than offset by larger increases in claims payments in 1955. The loss ratio rate was 57.14 per cent. In 1954, it was 52.12 per cent.

The heading is "Insurance Claims Payments Pay More than Premiums." In 1955, they paid out 57 cents of every premium \$1 in claims, and that was an increase. The year before, they paid out only 54 cents.

In what you are doing, you have a fantastically uneconomic set-off. For every \$1 you are paying in premiums, you are paid only 54 or 57 cents back in claims after the accident.

What is the position in the province of Saskatchewan in regard to their plan? And, I submit, this is coming to the crux of the proposition of whether it is an economic project of providing insurance.

On the 14th of March of this year, I wrote for up-to-date figures. The answer is that the Saskatchewan plan, which involves not only a minimum of compulsory coverage, but a package plan—

MR. MALONEY: Who is the letter from?

MR. MacDONALD: The letter is signed by the Governor of Insurance of Saskatchewan, Mr. R. D. Blackburn, and gives the average ratio of accidents to total income as 16.4 per cent. Out of every \$1 paid into the province of Saskatchewan's insurance plan, they get back 83.6 per cent. in claims, whereas with the private insurance companies which we have at the present time, we are getting back to 57 cents. In other words, we have a 30 per cent. wastage in terms of not getting services.

That, in itself, is the most convincing proof I can offer to the hon. Minister that it is uneconomic, not a sensible way of providing insurance.

MR. H. PRICE (St. David): Mr. Speaker, I would like to make a few comments about this amendment. Irrespective of what steps are taken towards a compulsory automobile insurance plan here, we will definitely need to continue the unsatisfied judgment fund. In New York, even though they have recently adopted compulsory automobile insurance, the House will note they are not abolishing the unsatisfied judgment fund for the reasons explained here tonight. There are always some people who will continue to drive while unlicensed and unqualified, or otherwise violate the statutory conditions to which automobile insurance is subject in Ontario.

I think it was stated last year that the money paid annually into the un-

satisfied judgment fund by the taxpayers of Ontario is their best investment, and I certainly subscribe to that. Ontario has always been looked upon as a model province in Canada for insurance legislation. I think this holds true now as it has in the past and will in the future.

I would be very much opposed, at this time, to adopting compulsory automobile insurance in Ontario until we study the results of its enactment in the state of New York.

MR. MacDONALD: Will this government do it then?

MR. R. MACAULAY (Riverdale): Mr. Speaker, first of all, I would like to ask the hon. member for York South two questions. I did not understand what the coverage of the legislation was in Saskatchewan. What is the deductible?

MR. MacDONALD: The deductible on the basic coverage which is compulsory is \$200, but a person can add to that a package policy which he buys and it reduces it to the \$50. The figures which the hon. member quoted were against a combination of the compulsory, which everybody must have, plus the voluntary.

MR. MACAULAY: But is it not true that it is pretty well established that the \$200 deductible is not of very much use to man or beast? The average accident involves money less than \$200, and almost everybody in Saskatchewan takes out the additional package deal on top of that. I understand also that even that is inadequate, that there is a great deal of insurance sold in Saskatchewan to augment the policy that everybody has to buy, whether they want it or not. Is that not so?

MR. MacDONALD: No one argues that it is all the coverage everybody might want, but it is a basic coverage, which meets the needs and obviates the necessity of this highly expensive and

uneconomical procedure of an unsatisfied judgment fund.

HON. MR. ALLAN: Mr. Speaker, I submit again it does not do away with the necessity of the unsatisfied judgment fund, and to bring the thinking a little clearer on the Saskatchewan plan, I think perhaps hon. members of the House understand that when one buys a licence he buys his policy; if he buys it 7 months after the first of the year he pays the insurance for the entire year. If he has 4 members of the family who drive a car, in addition to himself, he pays an extra \$2 for each driver and has the additional deductions which have been mentioned.

I have been informed that of those drivers who have had an accident, their first licence is replaced by one which they must pay additional money for. I am not sure if it is the second or third accident. But the one which was brought to my attention was charged an additional amount of \$25 for the licence, which amount was placed in the insurance fund. I am not fully aware as to how greatly the insurance fund is subsidized.

MR. MacDONALD: It is not subsidized at all.

HON. MR. ALLAN: It is subsidized.

MR. MacDONALD: It is not subsidized at all. What gave the hon. Minister that idea? Not one cent. As a matter of fact, all parties, including the Conservative party in Saskatchewan, are staunch supporters of the plan. Anybody who went out and opposed it would be committing political suicide.

HON. MR. FROST: May I say briefly that if we were to have compulsory insurance in Ontario, most certainly we would not do away with the Ontario unsatisfied judgment fund.

MR. MacDONALD: Why not?

HON. MR. FROST: For this reason: compulsory insurance in Ontario would give no protection against the hit-and-run driver.

MR. MacDONALD: Certainly it would. It does in Saskatchewan.

HON. MR. FROST: The second thing is this: it would not give protection against the 6 million cars we have coming into this province which may or may not be insured. I point out to hon. members that our situation is entirely different from that of Saskatchewan. We have in this province close to 2 million car registrations, something between 1.75 million and 2 million car registrations; we have no less than 6 million cars coming into this province every year from other places.

It would be folly to suggest that we would do away with the unsatisfied judgment fund, with the possibilities arising from that situation. I think any person who would look into this thing would at once come to the conclusion that the \$1 which is paid into the unsatisfied judgment fund is the cheapest type of insurance one could get. Certainly tomorrow I would be very glad to give information to the hon. members of all the payments which are made from the unsatisfied judgment fund.

Let me point out to hon. members opposite that in Saskatchewan, since the specific coverage, there has been an increase of 68 per cent. in the premiums charged since the last election.

MR. MacDONALD: It is still lower than private companies.

HON. MR. FROST: The returning officer has not time to make his official returns of the election before they "up" the rate by 68 per cent.

MR. MacDONALD: It is still lower than the private companies which the hon. Prime Minister supports.

HON. MR. FROST: The hon. member should not think for a moment

that everything is lovely with that plan. I would say, Mr. Speaker, the problems in connection with compulsory insurance are seven-fold, but I mention just this facet of it.

If there is compulsory insurance, remember, there are not going to be handed over to the insurance companies the discretions which are now exercised by The Department of Highways by the registrar of motor vehicles.

There are presently in Ontario many good drivers who are able to pass examinations, who are up in years. Nobody is going to hand over to an insurance company the discretions that are carried on there, and I would point out that under no circumstances would there be handed over to the insurance companies in a mandatory coverage the right to say that this one would receive insurance and the other one would not. The result is it gets down to mandatory coverage covering all types of drivers.

The result is that inevitably the rates are driven up, and that is one of the difficulties at the present time. That is one of the causes of the 68 per cent. rise in Saskatchewan, and it is one of the causes of the fact that there are only, I think, 3 jurisdictions in North America, including Saskatchewan, that have compulsory insurance. That is the situation.

MR. MacDONALD: Mr. Speaker, will the hon. Prime Minister tell me why he contradicts his own hon. Minister? His hon. Minister rose one moment ago and explained some of the things that happened in Saskatchewan about discrimination against those drivers who are bad drivers. The hon. Prime Minister is saying we have these here but we cannot hand them over to a private insurance company; those are incorporated as part of the safety programme which is running in conjunction with the highway department and the government insurance. He is setting up a straw man and beating him down.

HON. MR. FROST: The hon. member is arguing from a different stand-

point altogether. This resolution talks about a public automobile insurance plan of universal coverage. Such a thing as that, Mr. Speaker, immediately brings in the insurance coverage of the bad drivers.

MR. MacDONALD: Like the hon. Prime Minister is doing in the hospital plan.

HON. MR. FROST: It is a totally different set of circumstances.

MR. MacDONALD: Oh, no.

HON. MR. FROST: A totally different thing altogether. The hon. member will run up the insurance rates and will do what is happening in these other places. The comparison of insurance rates, for instance, in Massachusetts, which is a comparable jurisdiction in many ways with our own, is so fantastically different from our rates that there is no argument.

I would think the comparison of rates alone between Ontario and Massachusetts, areas that are very much the same, heavily populated, large cities, crowded highways and that sort of thing, proves that the amendment is a very sensible amendment, and I think it is a very reasonable amendment, and feel that this whole problem of insurance is one which can be carefully studied by The Department of Transport.

The experiments of this year, of introducing, I think, something that is going to be an incentive for drivers to insure, is a very good thing and it is well to see how that works out.

MR. T. D. THOMAS: Mr. Speaker, there is just this question I would like to put to the hon. Prime Minister. He said if there was compulsory insurance in Ontario, with 6 million cars coming into Ontario, it would still be necessary to have the unsatisfied judgment fund. In the state of New York, where they have compulsory insurance, one cannot drive on the roads unless he shows proof of financial responsibility.

HON. MR. ALLAN: That is not correct. One can drive on the roads until he is questioned about it. If someone gets into difficulty and does not have insurance, he must cease driving.

MR. T. D. THOMAS: But he is driving illegally on the highways.

HON. MR. FROST: I have been on the roads of New York on very many occasions, and I have never yet been asked if I had insurance.

MR. MacDONALD: Since January 1st?

HON. MR. FROST: Not since January 1st, but I have on many occasions.

MR. MacDONALD: That is when it came into effect.

AN HON. MEMBER: I have.

MR. GIBBORN: Mr. Speaker, it looks very much as though the amendment may carry.

Therefore I would just suggest that, as it is placed in the amendment that The Department of Transport may look into the insurance problem, they should first take a look at The Unsatisfied Judgment Act, and I would make this suggestion:

It may be necessary, I do not know too much about it, I think that a compulsory insurance plan could work plus the unsatisfied judgment fund. I have found this problem with 3 cases in my own riding where the claimant has been an ordinary working chap whose car has been put completely out of order, he has not enough money to replace it, and he either has to beg transportation or spend money on a bus which takes an extra hour or two going back and forth to work.

I would suggest, in considering this matter, that there be set up a public legal aid to handle the unsatisfied judgment

fund where these kind of people will have some recognition, where their hospital bills may be paid and they will not have to wait a long time. In some cases they wait now for two years, and I think these things should be looked into by a public aid in the unsatisfied judgment fund.

HON. A. K. ROBERTS (Attorney-General): I would like to give these figures of the unsatisfied judgment fund in dollars:

Since it came into existence in 1948 down to March 31, 1956, there was paid into the fund \$10,141,330; there was paid out, under what is known as Class A judgments, a total of \$8,069,547. Under Class B judgments—they are the hit-and-run type where the person causing the accident was not identified—\$867,341 for a total of \$8,936,889.

At the end of March, 1956, the fund therefore had approximately \$1.2 million to its credit. The number of claims involved during that period was 2,980 in Class A, and 270 in Class B. The average amount of the claim paid, taken on a strictly arithmetical calculation, exclusive of costs, was \$2,173.

MR. MacDONALD: What were the costs?

HON. MR. ROBERTS: The average of the costs was \$540 and, in 1956, some 73 per cent. of the actions in which intervention took place by the fund were settled, and of the actions settled, 2.4 per cent. exceeded the fund limits.

MR. GISBORN: I have a question, Mr. Speaker. We have not been told how many outstanding claims there are at the present time, and what is the average time for the processing of the claims.

HON. MR. ROBERTS: I have some figures for 1956: 712 investigations, 448 interventions, 330 settlements, 54 applications for leave to sue, and 729 applications for payment out.

I am informed that once the material gets in the shape that it has to be—that is, to show that there is a right to apply to this fund, i.e., that they cannot realize from assets of the debtor by means of this method of settlement that has been in process now for more than a year along with the normal course of these claims—they are processed very rapidly, and if there are any serious delays it is usually due to the fact that the person making the application is deficient in his material.

MR. GISBORN: "Very rapidly," what does that mean? I think we are entitled to something a little more definite than just "very rapidly." It is a whole argument against the programme.

MR. SPEAKER: You have heard the amendment moved by hon. Mr. Allan and seconded by hon. Mr. Nickle.

Motion agreed to.

MR. SPEAKER: The amendment is carried.

HON. MR. FROST: Mr. Speaker, this has been a considerable day, and in moving the adjournment of the House I might say that I had felt that it would be possible to prorogue the House tomorrow, but in view of the meeting of the committee on privileges and elections, I think it would be safer to set the prorogation date for Wednesday.

MR. MacDONALD: Mr. Speaker, I wonder if the hon. Prime Minister might, before he outlines tomorrow's schedule—I have considered his advice before 6.00 o'clock and I think it was good advice—make the motion that I would prefer to not be on the committee as a member since I am in the position of a complainant. I would appreciate it if the hon. member for Wentworth East (Mr. Gisborn) could be put on in my place.

HON. MR. FROST: I would be very glad to make the motion that the

name of the hon. member for York South be removed from the committee on privileges and elections and, in place thereof, there be substituted the name of the hon. member for Wentworth East.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, may I say that tomorrow we will proceed with matters that are on the order paper which are very few, that is government orders, and then with resolutions that are still outstanding on the order paper, and then with the budget debate.

I think it will be rather wishful thinking that we would be able to get through tomorrow.

On the day following, there will still be the conclusion of the budget debate, and after the vote is taken there will be one or two items that remain in The Department of Public Works which we have held over.

As the hon. members know, the old procedure of the House used to be that the budget debate would be concluded

first and then the estimates, but now we proceed with the estimates, but in order to comply with the rules of the House an item or two of one of the departments is held over, and in this case we held over The Department of Public Works, and that can be dealt with.

Of course, there probably would be debate on these matters, and after that the ordinary prorogation can take place on Wednesday. That is subject to the committee on privileges and elections being able to complete their deliberations in that time, and if not we will have to consider the matter and the date of prorogation.

MR. T. D. THOMAS: Will a night session be necessary tomorrow night?

HON. MR. FROST: I would say that it may not be necessary tomorrow night.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 12.10 of the clock a.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, April 2, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Tuesday, April 2, 1957

Minutes, standing committee on game and fish, Mr. Spooner	1937
Resumption of the debate on the budget, Mr. Morrow, Mr. Villeneuve, Mr. Edwards ..	1937
Motion to adjourn debate, Mr. Murdoch, agreed to	1951
Certification of Plans of Subdivision in order to Establish Title in Lands, bill to provide for, reported	1952
Registry Act, bill to amend, reported	1952
Investigation of Titles Act, bill to amend, reported	1952
Marriage Act, bill to amend, reported	1952
Municipal Act, bill to amend, reported	1952
Milk Industry Act, 1957, bill intituled, reported	1952
Assessment Act, bill to amend, reported	1954
Certification of Plans of Subdivision in order to Establish Title in Lands, bill to provide for, third reading	1954
Registry Act, bill to amend, third reading	1954
Investigation of Titles Act, bill to amend, third reading	1954
Cemeteries Act, bill to amend, third reading	1954
Charities Accounting Act, bill to amend, third reading	1954
Municipal Unconditional Grants Act, 1953, bill to amend, third reading	1954
Highway Traffic Act, bill to amend, third reading	1954
Succession Duty Act, bill to amend, third reading	1954
Sheriffs Act, bill to amend, third reading	1954
Public Hospitals Act, 1957, bill intituled, third reading	1954
Factory, Shop and Office Building Act, bill to amend, third reading	1954
Operating Engineers Act, 1953, bill to amend, third reading	1954
Assessment Act, bill to amend, third reading	1955
Part of the Westerly Boundary of the Township of Faraday, bill respecting, third reading	1955
Game and Fisheries Act, bill to amend, third reading	1955
Municipal Tax Assistance Act, 1952, bill to amend, third reading	1955
Ontario Municipal Improvement Corporation Act, bill to amend, third reading ...	1955
Ontario Fuel Board Act, 1954, bill to amend, third reading	1955
Gas Pipe Lines Act, 1951, bill to amend, third reading	1955
Milk Industry Act, 1957, bill to amend, third reading	1955
Ontario Cancer Treatment and Research Foundation and the Ontario Cancer Institute, bill to reconstitute, third reading	1955
Ontario Water Resources Commission Act, 1957, bill intituled, third reading	1955
Hospital Services Commission Act, 1957, bill intituled, third reading	1955
Department of Transport, bill to establish, third reading	1955
Liquor Licence Act, bill to amend, third reading	1955
Liquor Control Act, bill to amend, third reading	1955
Municipal Act, bill to amend, third reading	1955
Ontario Municipal Board Act, bill to amend, third reading	1955
Registration and Regulation of Children's Boarding Homes, bill to provide for, third reading	1955
Public Health Act, bill to amend, third reading	1955
Pharmacy Act, 1953, bill to amend, third reading	1955
Municipality of Metropolitan Toronto Act, 1953, bill to amend, third reading	1955
Raising of Money on the Credit of the Consolidated Revenue Fund, bill to authorize, third reading	1955
Marriage Act, bill to amend, third reading	1955
Municipal Act, bill to amend, third reading	1955
Motion to appoint select committee re agriculture, Mr. Whicher, debate adjourned ..	1955
Motion to constitute Ontario Agricultural College, Ontario Veterinary College, and Macdonald Institute as a university, Mr. Whicher, debate adjourned	1967
Motion to fully publicize all contracts let by Department of Public Works, Mr. Wintermeyer, debate adjourned	1973
Motion to adjourn, Mr. Frost, agreed to	1976

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

TUESDAY, APRIL 2, 1957

3 O'CLOCK P.M.

MR. OLIVER: Did the answers all come in this morning?

And the House having met.

Prayers.

HON. MR. FROST: Yes; I went over them and this finishes the whole thing.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

THE BUDGET

MR. J. W. SPOONER (Cochrane South): I beg leave to present the minutes of the standing committee on game and fish, together with representations made to it, and I move they be printed as an appendix to the journal of the Legislature.

MR. D. H. MORROW (Ottawa West): Mr. Speaker, as this is the first time I have taken any part in a formal debate this session, I would like to extend to you my sincere congratulations on the splendid manner in which you are continuing to carry out the exalted duties of your office; and, in particular, on the reverent and very impressive manner in which you conduct the daily prayers of this assembly.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the assembly, the students from the University of Toronto school of nursing, and also the students from Vaughan road collegiate, Toronto. These students are here to view the proceedings of the House.

In rising to participate in this debate, I wish to say a few things about the riding of Ottawa West, which I have the honour to represent in this assembly, a few remarks about the city of Ottawa in general, and about the budget which was so ably presented by the hon. Provincial Treasurer (Mr. Porter) a few weeks ago.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I beg to table answers to questions 1, 2, 5, 6, 7, 10, 13, 14, 16, 17, 19, 20, 21, 22, 24, 25, 26 and 27.

The riding of Ottawa West is a new riding which was created by the last redistribution bill, and as the name signifies, it takes in the western portion of that city.

I think that cleans up the order paper entirely with regard to questions.

I would like to express to the electors of this new riding, my sincere thanks for the honour they have conferred upon me in my election as their first representative to this assembly.

The riding, for the most part, is residential, but we have large business areas

as well as considerable light industry. The people, for the most part, are employed in the federal civil service; in business, in the various building trades, in the schools and hospitals, in the city services, and, of course, in the local industries.

They are a truly representative group working harmoniously together for the good of all, regardless of race, colour or creed.

The city of Ottawa, Mr. Speaker, with nearly a quarter of a million population is steadily acquiring greater stature, and is considered as such by many capitals of the world and is, indeed, taking on metropolitan status.

Since Bytown was renamed Ottawa in the year 1854 the city's growth has been steady. One of its most significant expansions came about with the annexation of a large suburban area in 1950, giving the city an area of over 14,500 acres which, I am told, exceeds the combined area of several of Ontario's thriving and populous centres.

Of course, we must acknowledge that this geographical and economical expansion and growth has brought in its wake a great many municipal problems which, no doubt, will take many years to solve. Like most other large urban municipalities, Ottawa's post-war growth brought with it inevitable demands for more roads, schools, water works, sewers and a host of other services.

Year by year, the pressure upon the corporation for more of these services becomes greater and many of the problems become more acute. The city has re-assessed all taxable properties at values commensurate with fair market value. The new rate has been up to the maximum, local licences and fees have been raised to the point where it is doubtful if any business undertaking, service or privilege has escaped the local tax authorities.

Despite all these things, I believe my municipality, in common with many others throughout this province, is becoming somewhat hamstrung in its efforts to meet the urgent and necessary

public works improvements and other services which have piled up over the years with its expanding growth and which it cannot afford to wholly undertake within the rigid limits of its present financial resources.

As the great proportion of revenue of municipalities is derived from property taxation it is perfectly clear that these added responsibilities are now far away and beyond their taxation possibilities. Each year the Ontario federation of mayors and reeves presents a brief to this government covering the problems of the municipalities of this province.

Each year this government recognizes this brief and meets many of their requests in some tangible form as is shown very conclusively in this year's budget.

By way of contrast each year the Canadian federation of mayors and reeves present a similar brief to the federal government in Ottawa, and so they should because their troubles are real and urgent.

They have a sound case and feel they are being fiscally strangled by a government which is taking many times as much out of their development as they should and, in turn, is putting back very little which is of real use to them. Until this year, for the most part, their briefs have fallen upon deaf ears. They are told at every turn that municipalities are creatures of the province and that constitutionally their problems and troubles should be treated by the province.

As has been suggested at this session, I do not like to use this assembly as a forum for extensive discussions of Dominion-provincial-municipal taxing matters; yet I do think we are on solid ground without being accused of playing politics, in exercising every opportunity of pointing out the federal government's failure to recognize the ever-changing pattern of provincial-municipal requirements in this great tax-earning province, and by so doing, impress upon them the magnitude of this problem and the absolute necessity of a change in their thinking and their recognition of the right of the province

and the municipalities of a fair share of the tax dollar.

It is time for all of us to face facts. For the federal government to merely say it is the responsibility of the province and that they have no constitutional responsibility or authority to make substantial grants is but a way, in my opinion, of skirting the issue.

They must be made to realize the problems of the municipalities are the concern of all levels of senior government, whether it be a constitutional or a moral responsibility, and in some manner they must devise ways and means whereby they can assist our municipalities to a far greater extent than heretofore.

In order to be fair about this matter I must say the federal government has shown a more admirable attitude lately towards municipalities, because I note where they have brought in amendments to extend benefits and provide changes in the administration of their Municipal Grants Lands Act. Such amendments will make it possible for the government to pay taxes on its properties within municipal boundaries.

The city of Ottawa, Mr. Speaker, will receive more benefits from this procedure than by the old arrangement of receiving grants in lieu of taxes on federal property serviced by the city. In my opinion, this is a step in the right direction by the federal authorities and indicates an acceptance of some responsibility towards the municipalities—a responsibility which I believe, can be further broadened. Every effort should be made by us to explore its possibilities for the future benefit of our municipalities.

I congratulate the hon. Prime Minister (Mr. Frost) and other government officials in this province for their relentless efforts to date in trying to bring about a more realistic Dominion-provincial-municipal re-allocation of responsibilities of tax resources to meet these responsibilities.

It is my fervent hope that they will pursue these efforts at every opportunity

until a more fruitful result is accomplished.

In my opinion, Mr. Speaker, this budget is a heroic effort on the part of this province to assist the municipalities for the present time at least. I know the city of Ottawa, in particular, is extremely grateful for the generous and timely assistance that has been given to them.

We have been faced with heavy obligations for the year 1957 and I sincerely believe the increased grants for education, for administration of justice, for welfare work and all the other things will enable council to meet their commitments without any major rise in the tax rate. This, if such be the case, will be a source of gratification to all.

With regard to highways, I would like to congratulate the government and the hon. Minister of Highways (Mr. Allan) upon their elaborate highway programme as outlined by the hon. Minister and the amount of money voted in the estimates yesterday afternoon. It is a costly one, but it shows courage, imagination and long-range vision.

It is good to see eastern Ontario receiving a substantial share of these designated highway improvements. Like the hon. member for Carleton (Mr. W. E. Johnston), I would like to commend the government in particular for the splendid co-operation demonstrated, at all times, in the lengthy and rather complex negotiations with regard to the building of the "Queensway," which will extend for a distance of approximately 23 miles from a point in the riding of the hon. member for Carleton known as South March, across the city of Ottawa, through my riding, through the riding of the hon. Provincial Secretary (Mr. Dunbar) and through the riding of the hon. member for Ottawa East (Mr. Morin), to a point known as Green's Creek on the easterly approach to the city and in the riding of the hon. member for Russell (Mr. Laverne).

This limited-access thoroughway will be one of the greatest engineering projects ever undertaken in the history of

Ottawa, and I would like to join with other hon. members of the Ottawa area ridings in expressing extreme satisfaction on the signing in Ottawa a few days ago of the cost-sharing formal agreement for this project by the various officials of the federal government, the federal district commission, the city of Ottawa and the province of Ontario.

We all believe that this expressway, forming part of the trans-Canada highway, and passing through the heart of the city, will carry a large volume of vehicles and thus will alleviate some of our present congested arteries of traffic.

I am pleased to see that the Ontario Department of Highways is going to build this limited-access thoroughway which, of course, will be done in stages, beginning with the easterly approach to the city. The only suggestion which I would like to make at this time, Mr. Speaker, is to draw to the attention of the hon. Minister of Highways, that there is a considerable amount of land buying to be done at the westerly approach.

Perhaps if this work is expedited, then the department will be able to begin work sooner on the westerly part of the expressway. The hon. member for Carleton and I are most anxious that work be commenced on the western portion of the expressway at the earliest possible date.

I would like to commend the government, perhaps more particularly the hon. Minister of Health (Mr. Phillips) and his department, for the increased emphasis on many matters in the budget which will augment our health services in Ontario this year.

In my opinion, one of the best things about the budget is the continuing financial assistance being given to our public general hospitals and in particular the recognition given for the first time to those hospitals engaged in the teaching and training of professional nurses. This new special grant of \$300 to the hospitals for each student enrolled in an approved school of nursing is a great forward step and

one to which we have been somewhat slow in giving recognition.

Recently, the Ottawa civic hospital, in an effort to meet the strong demand for more nurses, opened a magnificent new and modern nursing education building, fully equipped, for the training of their nursing students.

By virtue of this new building the "Ottawa civic" has increased its student enrolment from 120 to 300, a remarkable increase indeed, and is now able to accommodate most of the applicants of the entire Ottawa Valley wishing to train at this hospital and pursue the professional career of nursing. The Ottawa civic nursing education school is somewhat unique in that it is one of the first ones in Canada to be built separate from the main hospital.

It was achieved by the people of Ottawa from their taxation and donations with but a small grant from the province towards its furnishings. The ability of a general hospital to meet its obligations depends in great part upon its nursing staff, upon their numbers as well as the skill and competence of their training.

I am, therefore, very pleased to see this government recognizes the right that this province should assist materially in the provision of adequate nursing services by paying the hospitals operating nursing education schools a special grant of \$300 per student.

This grant will mean a large sum of money for the "Ottawa civic" with 300 students enrolled and will provide great assistance for this hospital to carry on a new plan which they have inaugurated this year whereby third year students are being categorized as nursing internes and paid a basic salary.

I trust that it is the intention of the government to make this an annual grant because I sincerely believe it will contribute greatly to the provision of greater nursing educational training facilities in this province which is the essential requirement for increased nursing enrolments in our hospitals.

Not only will it help to meet the urgent needs of our rapidly growing communities but with the entry of this province in a hospital insurance scheme in the near future, this grant will help immeasurably to meet the greater supply of nursing personnel who will be so urgently required at that time to staff our hospitals.

Lastly, I would like to make a few general remarks about education and the teaching profession. A large amount of money shown in this year's budget for educational purposes points up the fact that we all have a big stake in education. Too often education is thought of as something between teachers and school trustees on the one hand and parents and their children on the other.

Nothing could be more erroneous. Since education is a charge on the entire community and the province, it is every person's responsibility to see that our educational programme is administered wisely and economically, particularly in the present period of rising costs when school authorities are faced with a continuing need to accommodate ever-increasing school enrolments.

We have heard a great deal on this subject during the present session which has ranged all the way from a crisis of deepening proportions facing education in the province on one side, and the contention that everything is fine and being taken care of on the other side of the picture. As I am not in possession of all the facts of the problem, the only opinion I would venture is that there will always be controversy on this highly important subject, which in itself, is evidence of progress.

We all know education is perhaps one of the greatest problems which we have to contend with today but I am satisfied that the province and the municipalities are facing up to this formidable task in the best possible manner with the resources which they have at their disposal.

I believe that most of the hon. members in this House will agree that the appropriation of the record sum of

money, as set out in the budget, demonstrates in impressive fashion the government's desire and anxiety to aid the municipalities and to advance the cause of education in this province. By increasing the amount of its school grants to municipalities by approximately \$20 million, the government is giving the local authorities decided help in meeting their current educational needs.

I learned over the week-end, for instance, that in Ottawa, as a result of the upward revision of the provincial grant structure, the public school board will maintain the 1957 tax rate at last year's level regardless of their increased expenditures this year.

True, we all know that there is more to be done before hard-pressed municipalities and school boards are adequately relieved of their burdens, particularly with the rapidly expanding and growing communities surrounding our larger centres of population and the urban centres which have recently annexed large suburban areas of land. Ottawa, for instance, since annexing large areas of neighbouring townships in 1950, is growing at such a rate that one year's building programme is scarcely launched when it becomes necessary to begin planning for an even greater programme the following year.

I know the same to be true of many other centres because a great many of the younger people are flocking to the suburban areas to establish new homes and raise their children. I was pleased to hear the hon. Provincial Treasurer in the course of his budget remarks on education state that an exhaustive study is being made on all aspects of school finance and administration and that next year a new system for school grants, designed to be more equitable across the province, will be inaugurated.

This statement in my opinion gives further evidence of this government's cognizance of the present financial educational problem and indicates their intention to do something more about it. I am sure these advance assurances of further adjustment and help will be

welcome news to the types of municipalities which I have just mentioned.

Now, a word about the teachers. I was pleased to hear the hon. member for Renfrew South (Mr. Maloney) in the House one evening a week or so ago pay a fine tribute to this segment of our population—particularly the young men and women who have entered the teaching ranks during the present emergency period.

I fully subscribe to the views expressed in many places that teachers have done a magnificent job over the years, sometimes under many handicaps. They have patiently played an important part in moulding the minds, characters and attitudes of our youth as well as equipping them with academic knowledge and technical skills; and at long last, I am sure they have the feeling that their work is being given full recognition.

The percentage increases in teachers' pay during the past 10 years is most impressive, and I do believe that teachers, on the whole, are being well paid and are satisfied.

Pay adjustments may be needed to bring certain communities into line with others which pay higher salaries, but I think it might be well, since the pay of teachers is one of the greatest items which school board expenditures has to make, if raises in teachers' pay were to slow down a bit until communities can catch their breath. The taxpayers are breathing hard already in an effort to meet the bill for education needs.

The matter of whether the teaching profession is short of teachers in the province, is, in my opinion, a matter of definition. True, we are short of fully-qualified or certificated teachers—if one wishes to debate that side of the picture—but, in my opinion, a teacher is a teacher no matter what age he or she may be, if employed as such under the existing regulations in our schools.

Many partially-qualified teachers may be superior to fully-qualified teachers, because they possess the desired personality and natural qualifications better

suited for such a career, and which makes them a greater success in this field.

I am satisfied that the hon. Minister of Education (Mr. Dunlop) and his department have intensified their drive to attract more teachers in training. I believe their emergency training courses will cope effectively with the problem without watering down the standards to any great degree in order to meet the expediency of the situation.

However, I also believe there is a tremendous job yet to be done to meet the challenge, particularly in the secondary field of education. Secondary school principals, vocational guidance counsellors, inspectors, educationalists, and citizens in general, should accept their responsibility in this urgent matter and endeavour to try and stress the advantages of a teaching career to our youth.

Each year there are hundreds of young men and women graduating from our secondary schools and universities who, I believe, would enter the teaching profession if given more encouragement and counselling. These enthusiastic young people, possessing so many excellent and desirable qualities necessary for teaching, have much to offer to a career of this type.

Too many young people are discouraged from entering the teaching profession by discussion stemming from the past. They should be more fully acquainted with the attractive and greatly-increased salary schedules, the vastly increased superannuation benefits, the pleasant environment of our ever-increasing, modern and well-equipped school buildings, as well as the fruitful and challenging aspects which such a career offers today in our schools. All these things, along with the financial assistance now available for students in need, would, I believe, have a noticeable effect in recruiting more adequate staffs for our schools.

In conclusion, Mr. Speaker, I would only like to say this, that while all the advancements in education are costly,

there is no single field where expenditure could be more logically justified or more amply repaid. Perhaps we should be cheering and not groaning about our taxes and responsibilities.

No doubt it is probable that Ottawa and other municipalities should continue to press for more assistance from senior levels of government in education and other fields, but we are all Canadians, and while duties and allocations are being sorted out, let us still rejoice in having to provide more schools and teachers. If existing school facilities were sufficient year after year, and if rooms were being closed and teachers were looking for work, which was the situation when I entered this noble profession, in the late 20's, then Ontario and Canada would be slipping into the dismal swamp of depression and inaction.

Every new school, every new room opened for classes, every new teacher coming to the blackboard with the ink hardly dry on her teachers' college certificate, whether it be a partially-qualified or a fully-qualified certificate, are emblems of a nation on the march to better days. Unworthy perhaps are those who look on the need for new schools as a problem; an added burden or an expense to be avoided.

May all our actions serve as a worthy contribution to this favoured land in which we are all so proud to live.

MR. O. F. VILLENEUVE (Glen-garry): Mr. Speaker, in rising to take part in this budget debate, I want to congratulate the hon. Provincial Treasurer (Mr. Porter) for the very capable manner in which he introduced the budget. The government has had the courage of its convictions to appraise and present the needs of this province, and to assess and collect new taxes from sources, for the most part, which will not cause hardship.

Highways and educational expenditures this year alone are more than double the amount of the total budget when I first came to this Legislature 9 years ago.

Ontario today is the fastest-growing area on the North American continent, and the government's sound administration policies and faith in its people have helped to place the province in this favourable position.

Since the constituency I represent, Mr. Speaker, is one of 4 counties in southern Ontario where the rural population exceeds the urban population, I am going to confine my remarks principally to agriculture.

The farmers of my constituency are very grateful for what this government has done in the past few years in the way of hydro expansion to rural communities, and the generous educational grants towards construction of new schools, the municipal grants towards the betterment of roads, the establishment of regional welfare offices and many other assistances given to municipalities.

Dairying is the chief form of income of my constituents, and of the population in general, perhaps 25 per cent. are fortunate enough to have a fluid milk market. The balance have to send their milk to manufacturing uses such as cheese, butter or condensers where the returns have been anything but satisfactory. In fact, the figures revealed under the dairy herd improvement plan since 1951 indicate that these farmers have had to produce at a loss and last year alone, in 1956, they produced milk on an average of 65 cents per 100 loss.

Agriculture as a whole does not share the economic prosperity which the country has enjoyed and income from agriculture across Canada decreased between 1951 and 1954 by 48.22 per cent. The inter-provincial farmers' union and the Canadian labour congress report to the federal government in December, 1956, revealed very much what is in evidence in a very pronounced manner in my area.

At that time, the figures showed that 44 per cent. of farm homes had telephones compared to 63 per cent. of non-farm homes; that 33 per cent. have piped water, but only 20 per cent. have

modern plumbing fixtures installed. They are labouring between 70 and 90 hours a week in the crop season in order to earn an honest livelihood under these conditions.

I submit that we have responsibilities from the provincial level in the agricultural field. Better marketing legislation and more extensive research may help, but will not be sufficient in itself to place agriculture on a par of living standard with the rest of the population.

Farmers must pay protected prices for practically everything they buy. It is apparent that any farmer who has not a fluid milk market, or is not in a special crop business in Ontario, has to sell milk for manufacturing, raise beef cattle, hogs or poultry, or some combination of these as a major source of revenue.

The American market for good dairy type cattle has served as a cash crop for a number of years and at the moment looks like the only bright picture facing agriculture.

This government has extended a great service to farmers by establishing artificial insemination depots across the province for breeding purposes and the recent Brucellosis Act assures dairy farmers of an opportunity to continue to sell to the American market when several states after 1960 will not allow anything but cattle from a free listed area to enter their country.

In 1955, we exported just under 40,000 dairy cattle and in 1956, when figures are complete, will show a slight increase. In Canada today, we have 650,000 fewer milk cattle than the average for 1935-1939 level. Fluid milk sales have increased 70 per cent.

We are producing 40 million pounds less cheese a year than we did in the 1935-1939 era, but we are eating 30 million pounds more cheese annually. Stocks of butter and evaporated milk show a decline on hand and our domestic disposition of these dairy products shows an annual increase and, within a very few years, we will not have to look for any export market for surplus dairy prod-

ucts. Canadian livestock prices are based on a North American economy.

The problem that confronts the farmers today is the unstabilized condition of markets for their products. Because of reciprocal trade arrangements made at the federal level of government with the United States, grade cattle for export and import pay 1.5 cents a pound duty, live weight; dressed it is 3 cents a pound duty. Dairy imports from other countries — New Zealand and Australia in particular — have preferred tariff arrangements on cheddar cheese and powdered milk. The duty is one cent a pound on entering Canada.

A revision of this tariff rate, made years ago, is long overdue and a more realistic approach with present-day price levels is needed. In comparison to the protection that agriculture is accorded, industry enjoys 40 per cent. duty on refrigerators, 26.5 per cent. on cars, 25 per cent. on sewing machines and 25 per cent. on vacuum cleaners.

All are products that are purchased by farmers. Statistics on a cost and selling basis bring out the facts to prove beyond doubt that farmers have very sound reasons to complain. The most recent price index figures for the year 1956 commodities and services used by the farmer has risen to 254.3 per cent. for what they buy.

In comparison, what they sell index figures show 225.8 per cent., which leaves their position 28.5 per cent. worse off today than it was in the period 1935-1939. I will quote some of the heavier increases to the farmers, from the August, 1956, index:

	<i>Per cent.</i>
Labour rates have gone up to	512.5
Building materials	321.2
Binder twine	276.3
Household equipment	234.2
Clothing	228.2
Machinery	209.7
Fertilizer	180.5
Taxes and interest rates	177.2

Those are commodities and fixed prices, Mr. Speaker, over which the farmer has no control.

It is my humble opinion that we have not in this province given sufficient attention to the extension service required in agriculture. Our agricultural representatives have made a wonderful contribution towards agriculture but it is impossible for one man and an assistant in any one county at present to cope with the need to give guidance, leadership and direction that should be given to farmers.

Conservation, land use and farm management are problems that require more personnel in each of these agricultural representatives' offices to cope with the changing conditions that are taking place.

For instance, poultry raising today appears to be a very risky business for the average farmer unless it is on a specialized scale and operated as a commercialized business proposition. The production of broilers and turkeys is now highly specialized and for the most part is concentrated in large units with favourable location towards markets.

This trend is rapidly developing in the egg and poultry business. In 1948 we exported 40.7 million tons of dressed poultry. In 1956 we exported 100 thousand pounds. But we imported 30 million pounds of dressed poultry during 1956.

We also import lamb and mutton in large quantities from New Zealand and Australia at one-half cent a pound duty, and these meats were 39.2 per cent. of our total inspected kill in Canada.

Our meat consumption per capita and our population are rapidly increasing. The beef consumption in 1951 per capita was 49.8 pounds per person. In 1956 it has risen to 75.5 pounds per person, an increase of 55 per cent.

Naturally it would appear that beef prices should be on the upward trend instead of in a lower direction, but our loss of export markets tells the story in a very convincing manner.

Our yearly average of beef exports between 1935 and 1956 inclusive

averaged 217,195 head of beef cattle. In 1956 our export totalled 31,532 head. Now, in going back to the cattle population, that was marketed in 1948, we exported that year 27.5 per cent. of our total production. Last year we exported 1.3 per cent. of our total production in Canada.

Since the beginning of 1954 to the present time we have become in reality an importing nation for meat. In 1955 we imported 55,000 more beef cattle than we exported, and in 1956 approximately about the same number, 55,000 more cattle, that is beef cattle, imported into the country than we exported. The trend now is directly the opposite from former years.

However, if we take into consideration on a percentage basis our capacity to produce in Ontario, our population forms 33 per cent. of the total in Canada, we produce 31 per cent. of the beef and 37 per cent. of the pork. Eastern Canada has 74 per cent. of the people, but markets 30 per cent. of the cattle. The western provinces produce 62 per cent. of the beef and have but 27 per cent. of the population of Canada. It is apparent that our beef producers have to face competition from the province of Alberta in particular where grain is cheaper and stabling conditions for cattle are not costly.

The pronounced threat of American cattle into our market points to one thing very clearly, we must produce and furnish cattle with the greatest efficiency possible. There is still a job of efficiency in grain feeding to be done.

This government has done a real job in giving farmers leadership and guidance in the various types of grass and grassland experiments for putting on cheap grain, but for instance the Iowa farmer feeds a mineral mixture and a proper protein supplement and competes with our colder climate and higher expense for grain cost. It is a "must" that we have to be more efficient than the Alberta or the United States farmer.

This government has done good work in progeny tests, finding out what are the best strains in beef cattle. I would suggest that we establish a research station in western Ontario where the bulk of this feeding is done. Such research would soon acquaint our farmers with the basic factors to allow them to compete favourably with the farmers of Alberta and the United States.

The demand is for top quality cattle, red or good blue ribbon beef. It must be finished with grain feeding to have this quality.

Our position in regards to the production of hogs in Canada is somewhat brighter at the present time. Because of disease in American hogs, they are restricted from coming into Canada. The average consumption, or domestic disappearance, is 103,000 hogs weekly in this country. We export a little over 10 per cent. of our production to the United States in the form of back bacon and hams.

These goods receive a premium on good quality hogs in that market for two reasons: due to the eating habits of their population and because they are of a superior quality in comparison to the type of hog produced in the United States. Top quality ham from a good Ontario hog will produce about 72 per cent. meat, that is cooked ham, when the bone and skin are removed.

The top quality American ham will produce about 60 per cent. meat, which makes the difference. The American hog naturally being raised in the corn belt is inclined to be fat and have excess finish and therefore does not produce the lean meat in back bacon that our first class quality hog does.

About one-third of our hogs grade "A" in Ontario and I have a suggestion to this government, that they expand the advance registry policy and the board loan policy, because we need two things: an educational programme so that the farmer will understand that the hog business is his business and the United States market is a premium

market for top quality hogs only. We need an extension to the present board loan policy so that quality will not only be maintained, but improved very quickly.

The cheese producers of Ontario are very grateful for the interest taken by this government, in allowing the dairy commissioner for this province to accompany members of the cheese marketing board to Great Britain, to interview cheese buyers last spring and to assist them in arranging a price agreement with the cheese buyers and processors of Canada to maintain a stabilized price for a period of 12 months, from 32 to 34 cents a pound.

After all, the federal floor price support was approximately 22.5 cents a pound, and if the government of Ontario had not given the Ontario cheese marketing board the necessary guarantees to maintain the price level, no one knows what figures might have been established, because by this action we stabilized this industry for all of Canada, which in turn helped dairymen going to condensaries as well.

There is a resolution on the order paper for a price spread inquiry from some hon. members of the opposition. Whatever views we entertain, every rural member, irrespective of what party he may represent, certainly is acquainted with the needs of agriculture.

There does appear to be something wrong, Mr. Speaker, and I do not know whose responsibility it is to try to rectify it, but it seems strange that in the tea room at the Royal York Hotel where I ate breakfast this morning, one pays more money for one egg than the farmer—the producer—receives for a dozen.

Take sliced bacon—4 little slices cost 60 cents, and yet 25 slices in the pound would bring the producer on that basis about \$3.75 for that one pound. Unfortunately, he receives 30 cents for it. There is approximately 3 cents' value of wheat in a loaf of bread that retails for 21 cents.

These are some of the problems that the producer finds it rather difficult to understand. He is not asking for tariffs to be imposed to "jack up" the price of commodities to the consumer, but he does feel there should be a fair share of the consumer's dollar returned to him.

I am sure whatever is in the minds of this government or any other government, that some basis for a study of these problems should be undertaken because, at the present cost of production, it is impossible for a producer to stay in business.

I am going to speak on conditions that actually exist in my own county. Today we have more than 400 farms for sale; some of them have been given to descendants for as long as 170 years. These are good, hard-working people, willing to toil for a living, but they find it practically impossible to raise their families and give them a fair type of education and the pleasures of life that they desire in this present day. In fact, the bulk of them have to go out and supplement their earnings.

Incidentally, we are very fortunate at the present time that this power and seaway development are taking place in that area because otherwise many of them would have had to sell out and try to earn a livelihood in some other way.

What these farmers find difficult to understand, Mr. Speaker, is that their forefathers, although perhaps they went through more hardship, were able to maintain these farms and earn a livelihood. Today the descendants find themselves "right up against it" in that respect.

Unless there are larger operations, there does not seem to be much hope for the small producer.

I had cases last holiday season where farmers, who had raised perhaps 300 to 500 turkeys at an average, in order to supplement their earnings, for the first time in many years could not find a market for their product, and some

of them, when accounts were squared, found themselves in debt.

This appears to be most unfortunate and is a condition, I think, that can be rectified perhaps through the necessary guidance and leadership that they so dearly desire.

I have confined my remarks chiefly to imports and exports of meats as it affects Ontario and the country as a whole; but fruit growers and vegetable growers in this province are affected adversely in much the same manner.

In my closing remarks on agriculture, I should like to give a portion from the Gordon report, describing what the future holds for agriculture. This is a warning to the government of this province to increase the agricultural budget and expand the teaching facilities at the Ontario Agricultural College, Guelph; and at Kemptville and Ridgetown, so that those interested in agriculture throughout this province shall not suffer adversely because of the complete transformation now in progress, but will benefit from intelligent planning for the future.

The Royal commission on Canadian economic prospects, on page 26 of the preliminary report of December 1956, has this to say:

In the first half of the 25-year period, agricultural output will continue to shift in emphasis towards livestock products, as it has been doing. But the greatest changes will be those involved in the adjustment between men and machines. Farms will continue to become larger and the labour force will become smaller.

The increase in output required to meet the rise in the domestic demand for food envisaged in 1956 is not large, and does not appear to require an extensive increase in present land use.

However, at some time between 1956 and 1970, the growth in population coupled, as incomes rise, with the preference for superior foods will begin to have a decided impact,

both on the pattern of agricultural output and the structural organization of farming.

Mr. Speaker, we do not have to wait too long to see that. There is already a farm operated in Peel county that last year produced 90,000 turkeys. It is my understanding that this year that farm alone will produce over 140,000. These are problems that the average farmer faces and which need some attention in the form of giving him the necessary guidance and leadership that he so deserves.

Therefore, again, I do want to commend this government for increasing the budget of this building programme in agriculture towards the erection of new facilities in Guelph — at the Ontario Agricultural College — but I sincerely hope it considers expanding that service, as I stated before, to the eastern section of the province at Kemptville, because that section of the province certainly needs leadership in agriculture.

MR. J. F. EDWARDS (Perth): Mr. Speaker, in rising to take part in the budget debate, I would first like to pay tribute to you for the very acceptable manner in which you have acquitted yourself as Speaker of this Legislature—also to thank you for the generous hospitality extended to all hon. members of this House. Also, I would indeed be remiss if I neglected to mention the gracious hospitality extend by Mrs. Downer to our wives on so many occasions.

I would also like to say thanks to those in your office, and the civil servants of this province, for their willingness and reception to the hon. members on any instances when we have some business to conduct with the various departments of government.

At this late date I do not propose to speak on all departments of government mentioned in the estimates, but I do feel obliged to make comments on some items which affect the welfare of those I have the honour to represent.

I would like to commend the hon. Minister of Public Welfare (Mr. Cecile) and his officials for the leadership and guidance available through his department to those in need of help. The assistance and advanced thinking in connection with adoption and children's aid societies is indeed a forward step.

The very helpful mother's allowance branch has provided a most effective solution for many a widow left with children to support. However, may I suggest that consideration might also be given to some additional help to assist mothers who cannot fend for themselves after this family has passed school age and the allowance is stopped.

Then, of course, there are those who are retired automatically at 65 and, as a result of raising and educating a large family, have to exist on a small inadequate pension supplemented by an old age assistance allowance based on a federal means test.

It was heartwarming to see a suggestion by the Deputy Minister of Public Welfare, Mr. James S. Band, that a tax exemption or subsidy be given to employers of persons 65 or over, as a partial solution to the increasing burden of caring for elderly persons. My own father was most active for 21 years following his retirement.

As long ago as 1948, I suggested that this province of Ontario should have a voluntary contributory plan of old age protection which could possibly bring the pension to a better level after the person reaches the age of 65 or even 60.

Even payments amounting to maybe only the value of a package of cigarettes per week would provide a large sum if paid by all employed say from 21 years up. This may seem like duplication of unemployment insurance, but at least those paying in would be assured of a return when they most needed it, if unable to work or to secure work after 65.

I would further suggest we have many who are disabled at years much younger than 65 who, while not actually helpless, cannot support themselves. They are worthy of consideration by both govern-

ments. This scheme could be implemented now—a start has to be made.

I would like to refer to The Department of Agriculture under the capable leadership of hon. Mr. Goodfellow and his Deputy. The assistance given to community centres under the Act is indeed to be commended.

I would also like to congratulate the government on its farm marketing programme, giving real support to farmers in their quest for control of the price of farm products which would eventually assure them of a fair return.

Reference has been made by other speakers to the great spread between what the farmer gets—not only for eggs and pork, but everything he sells—and what the consumers pay.

The agricultural representatives and their assistants in this province (and I personally know quite a number of them) are indeed performing a worthwhile duty in assisting and guiding farmers, both young and old, to a better standard of farming through 4-H clubs, home economics programmes, junior institutes, field crop contests, soil and crop improvement groups, etc.

Perth county, I am happy to say, stands very high in production. A total of 132,880 cattle were sold in 1956, realizing \$17,246,200 which will indicate the volume. The Perth county farmers are also high in the production of cheese, eggs and butter.

I would also like to file the following Perth county field crop figures for 1956:

Crop	Acres	Yield per acre (bus.)	Total production (bus.)
Winter Wheat ..	14,400	32.0	460,800
Spring Wheat ..	350	22.0	7,700
Oats	39,000	47.5	1,852,500
Barley	6,100	37.8	230,600
Mixed Grains ..	93,700	44.0	2,710,400
Fall Rye	500	22.3	11,200
Flax	960	13.4	12,900
Soy Beans	200	20.0	4,000
Dry Peas	80	17.6	1,400
Dry Beans	800	18.0	14,400
Corn—husking ..	4,500	54.0	243,000
Buckwheat	640	21.9	14,000
Field Roots	1,610	475.0	764,800
Potatoes	500	138.0	69,000

	(acres)	(tons)	(tons)
Corn—fodder	12,100	11.2	135,500
Hay & Clover ..	106,700	2.13	227,300
		(no.)	(amount)
Cattle.....	—	132,880	\$17,246,200
Total under cultivation ..	456,888	—	—

In connection with junior farmer loans, I would like to suggest that consideration be given to extending the Act. For instance, suppose a junior farmer working at home with his father has an opportunity to buy a farm with just a house or barn but not both, next or reasonably close to his father's farm. He has maybe a few dollars and some cattle of his own—but no machinery of any account.

The junior farmer wants to start on his own—yet because this farm has a house and no barn or vice versa and he is unmarried, he cannot qualify for a loan. Even though he has the use of his father's machinery by consent as they work together, he cannot get a loan even with his father's backing.

I would also like to say a few words about the highways. I was most pleased to learn of a call for grading and resurfacing on highway No. 9 to Arthur and also for work on highway No. 8. I would again like to call the attention of the highways planning department to the need for a northern connecting link between highways No. 9 and No. 7, eliminating the need to take traffic south of Orangeville by following highway No. 7 through Kitchener, Guelph and Georgetown, turning east at Brampton.

Another much needed connecting link I might suggest, that would be most helpful, would be the extension of highway No. 19 from Tralee through to highway No. 9. These two suggested links would keep a great amount of traffic going east of the congested routes nearer the metropolitan area. This government and its Department of Highways employees can be very proud of their record of keeping the highways constantly open during the past winter.

I would again reiterate that further study should be made regarding the

length of trucks — the type licenced to carry heavy loads such as steel, cement, bricks, logs and similar materials which are much too heavy for most roads. Such traffic should be back on the railways where it belongs.

I believe there is an increasing need for good railway service not only on the main lines but on the feeder or branch lines. It has been said by various hon. members in this House that the railway network around this metropolitan area could be used to give better and quicker service than at present, by setting up a commuter service right around this city. This was proven during the street car strike. Good service, using good equipment, on a shuttle basis would perhaps even diminish the need for an east-west subway. Also, it would reduce the ever-increasing traffic problem.

Speaking of this problem, I would again point out some of the everyday occurrences apparently allowed in this city. Box-car trucks should be off the streets during rush hours. Goodness knows they run all night and early morning with their cutouts wide open, up the principal streets of this city, making it seem as if they wanted to make all the noise they could. Yet milk wagons are banned before 7 in the morning. There should be more planned truck routes through areas away from where people live, even if they are guests in the city's best hotels. If necessary, such routes should be paid for by the trucking corporations themselves.

Referring back to railways and their employees, I would again point out that in connection with compensation under The Workmen's Compensation Act, the railway companies should be put on a compulsory contributory system as is other industry, instead of a cost system as at present in force. The various unions in the railway field have repeatedly asked for this, and I would suggest in all fairness it should be given to them.

Railways, much to the detriment of rural ridings all over Canada, are grad-

ually reducing their branch line services. For instance, car shops repair departments have been closed at Palmerston, then Stratford — they have all been moved to London — even the large auxiliary. It is to be hoped this policy will be reversed and a forward look taken.

New, lighter equipment, and faster and more frequent service should be provided, in order to draw more patronage. Day liners are proving their worth. The railways have a right to continue to provide a service, considering all the preferential treatment they have received by all governments.

In connection with the trade and industry branch of this province, I have the utmost praise for this group who have done a marvellous job, especially so far as the county of Perth is concerned. Any municipality in my riding would be most happy to have an industry of any size located in their vicinity. There is no better part of Ontario to live in — labour conditions are good — with excellent educational and hospital facilities conveniently located.

I would like to see capital, industry and governments adopt a decentralization policy to a greater degree than they do now, instead of adding to metropolitan areas and increasing their problems of highways, schools and hospitals and services.

Additional services for industry are available at very little extra cost, in many of our smaller communities which have small debenture debts, because the property owners have bought and paid for — either by cash or debentures — the improvements and services they boast.

It is hoped that the conservation branch can, before too long, induce the federal authorities to join in a partnership to finish the Upper Thames Valley authority. This would be of great assistance in solving the problems faced by Mitchell and St. Marys in my riding.

The hospitals in Perth county are very grateful for the continuing finan-

cial assistance given by this government towards defraying depreciation costs and for other capital purposes.

The provincial assistance to municipalities, particularly as it affects home owners, is to be greatly commended as well as the increased grants in connection with education.

In the city of Stratford, the special unconditional grant which was \$47,000 last year was increased to the sum of \$78,000.

While referring to education, I would like to again mention the ever increasing costs of text books used in our primary and secondary schools and colleges—in our primary schools particularly. Prices in most instances have doubled, and in some cases have even quadrupled. It would seem in lower grades there are too many options as to text books used.

Take for instance the arithmetics and spellers as used in lower grades, not to mention the heavy work books authorized for use in conjunction with same. These retail from 50 cents to 75 cents. These are work books which do make the teacher's work lighter, but at the expense of the parents' pocket-books.

I would suggest parents would be well pleased if all texts in all grades were supplied, and the sale of pencils, note books and other ordinary supplies were left to the corner store or small merchant.

I would also like to suggest, in connection with boys and girls who are leaving our secondary schools, maybe after grades X and XI, that it might be advantageous to give more consideration to greater co-operation with various trade unions and industry in an effort to have an apprenticeship system whereby they could learn useful trades—as has been carried on for many years in the motherland. The scarcity of skilled workmen in building trades—plumbers and electricians—and even expert television repair men, would indicate the value of such an arrangement.

I would hasten to say thanks to the government for the fine grant of \$150,000 for the Shakespearean Festival, making a total grant of \$250,000, which very happily has been matched by the federal government. The festival foundation is presently engaged in the erection of a permanent building which will be completed for their fifth annual season of drama, commencing July 1st and continuing to September 7th. This year's presentations of Shakespeare are *Hamlet*, which will be directed by Michael Langham, and *Twelfth Night*, directed by Tyrone Guthrie.

Supplementary to this is the third annual season of music from July 31st to September 6th.

I hope that every hon. member of this Legislature, who has not had the opportunity to attend this world famous festival, will avail himself of that privilege this year. Special trains, tickets and meals are offered in a package plan through the *Toronto Telegram* and the Canadian National Railways once a week.

Motels, hotels and restaurants are ready to serve the visitors. Recreation is also available in the forms of golf, swimming, tennis and boating. In case any hon. members are interested, baby-sitters can also be arranged for. This is a fine opportunity to visit Stratford and the county I have the honour to represent.

Mr. W. Murdoch (Essex South) moves the adjournment of the debate.

Motion agreed to.

MR. F. R. OLIVER (Leader of the Opposition): At this point am I to understand that there are going to be further speakers on the budget debate?

HON. L. M. FROST (Prime Minister): I understand that that is all on the Whip's list, and I think it would be merely the concluding speeches tomorrow.

Mr. Speaker, in relation to that I propose to the hon. members that the

House meet at 1.30 p.m. for the concluding speeches on the budget and for the vote on the budget.

If the committee on privileges and elections has not completed its work, then we will hold the prorogation of the House until it has finished.

I think that would be the course, that tomorrow there would be the two concluding speeches on the budget and that is all.

I do not propose to call a night session tonight.

There is some committee work under government orders which I would like to clear up, and I would, therefore, move, Mr. Speaker, that you do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole, Mr. C. E. Janes in the chair.

CERTIFICATION OF PLANS OF SUBDIVISION

House in committee on Bill No. 42, An Act to provide for the Certification of Plans of Subdivision in order to Establish Title in Lands.

Sections 1 to 23, inclusive, agreed to.
Bill No. 42 reported.

THE REGISTRY ACT

House in committee on Bill No. 43, An Act to amend The Registry Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 43 reported.

THE INVESTIGATION OF TITLES ACT

House in committee on Bill No. 44, An Act to amend The Investigation of Titles Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 44 reported.

THE MARRIAGE ACT

House in committee on Bill No. 176, An Act to amend The Marriage Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 176 reported.

THE MUNICIPAL ACT

House in committee on Bill No. 177, An Act to amend The Municipal Act.

Sections 1 to 3, inclusive, agreed to.
Bill No. 177 reported.

THE MILK INDUSTRY ACT

House in committee on Bill No. 160, intituled The Milk Industry Act, 1957.

Sections 1 to 41, inclusive, agreed to.

MR. D. C. MacDONALD (York South): Mr. Chairman, there is one question I would like to invite the hon. Minister to comment upon. Recently in the Toronto area, the old milk control board authorized one dairy—as a matter of fact a plant which I do not think had been distributing milk up until then—to use what is known as the 3-quart jug. I understand that this is in use in other parts of the province.

Representations have been made to me about this matter. I do not profess to know the details, I am merely seeking information, firstly, regarding the authorization of this container in this particular area, and, secondly, as to what the view of the government is regarding the introduction of this kind of distribution.

For example, my information is that the application before the milk control board was made, and within 24 or 48 hours — an almost unprecedented and unheard of short period of time — they got an “okay” to go ahead. And when a query was made afterwards as to whether or not the board had considered all factors, as for example the health factor—the matter of cleanliness—it was

stated that this particular factor had not been taken into account.

Just so that hon. members may know what I am talking about, I have here a sample of the jug. Unfortunately there is nothing in it. What I want to draw to your attention, Mr. Speaker, is this — this particular bottle was soaked, in an attempt to clean it, for a period of 3 hours, and anyone who is close enough to observe it will see that it is simply not clean. It is impossible to clean it by the normal brush method, it will require other kinds of washing equipment.

HON. MR. FOOTE: They should use "Whisk."

MR. MacDONALD: So my first question in this regard is: does this mean any dairy that is going to adopt this container has to put in completely new cleaning equipment?

My second group of questions have to do with the whole issue of whether or not this is a good idea. I am informed that in the United States, where this has been introduced by a man whose son-in-law is introducing it in Canada, it is known as "Lawson's Famous Jug for Milk", in fact the owner's name is what is attached to it.

The result, after some years of experience with the use of this container, has been that none of the savings get back to the farmer — a rather familiar story.

A second result is that about one-third of the labour force involved can be dropped and is dropped, for the simple reason — as this one little advertisement taken out of an Akron, Ohio, newspaper indicates — that the consumer can buy this at any of a thousand stores between 8.00 a.m. and 10.00 p.m.

In other words, stores that are open for this lengthy period of time are in a position to compete with the normal milk deliveries.

A final result is, that any saving allegedly might be made in buying in a

larger quantity, it is claimed from experience, is cancelled out by the fact that left-over portions of it turn sour, so any economic saving in getting a larger quantity is cancelled out through wastage.

Therefore my general question is: Has the government given consideration to the wisdom of altering our milk distribution procedures in the fashion that this size of container ultimately will alter them?

HON. W. A. GOODFELLOW (Minister of Agriculture): Mr. Chairman, with respect to the authorization for the distribution and sale of milk in 3-quart containers, as the hon. member for York South has mentioned, this is not new, it was introduced in the state of Ohio a number of years ago. I am sorry I have not the information with me, but it is being retailed at a great many markets in the United States.

This 3-quart jug was authorized on the recommendation of the milk control board last year, connected with the small market in western Ontario, and later, as the hon. member has mentioned, a licence was granted to a new dairy in Toronto to sell milk in 3-quart jugs.

I might say that the industry has been experimenting in an effort to produce a paper container of 3-quart size, but apparently it is not convenient to handle and it is rather difficult to manufacture and distribute.

However, as far as the government is concerned in the handling of the milk business, I have sometimes wondered, not only as Minister but for many long years, why we should be controlling the distribution of milk any more than we do that of any other commodity, provided it meets the proper health standards—quality and so forth—that is required by the consuming public.

This is not an experiment, and I might say in view of the fact that this company in Toronto has secured a licence to market milk through store sales, it is my guess that there will be another outlet in this area which will

be distributing 3-quart jugs of milk before this company which recently secured a licence.

I stopped off in the little hamlet of Thamesford on my way through to London on Saturday, and I noticed a large refrigeration unit there with a glass top; it was practically filled with milk bottles, and three-quarters of this refrigeration unit was filled with 3-quart jugs.

While I was sitting at this milk bar, getting a cup of coffee, at least 4 sales were made of 3-quart containers of milk out of this little milk bar in the little hamlet of Thamesford.

I asked the waitress what the demand was and she said: "Believe it or not, as far as we are concerned in this milk bar, at least 75 per cent. of our sales are being carried out in the 3-quart container."

I believe it is a matter of merchandising, and it must meet the health requirements, and if this is going to mean that the consuming public is going to secure milk at a lower price, then who are we to pass an opinion as to whether it is a good policy to have milk distributed in 3-quart containers?

From information I have, it would appear that the 3-quart container will be sold within the next two or three weeks in the city of Toronto out of certain stores at 55 cents for a 3-quart container, making milk $18\frac{1}{3}$ cents a quart.

A gentleman was in to see me in connection with milk distribution of 3-quart containers. He said he had a daughter, with 4 growing boys, who had figured out that she would effect enough saving by purchasing 3-quart containers from a store, in a year, to keep her boys in boots. If it is going to effect a saving to the consumer, I do not think it is the duty of the government or of the milk control board to put any restrictions whatever in respect to how dairies make distribution of milk in this or any other area.

Section 42 agreed to.

Bill No. 160 reported.

THE ASSESSMENT ACT

House in committee on Bill No. 144, An Act to amend The Assessment Act.

Sections 1 to 22, inclusive, agreed to.

Bill No. 144 reported.

Hon. Mr. Frost moves that the committee rise and report certain bills without amendments.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of the whole begs to report certain bills without amendment.

Motion agreed to; report adopted.

THIRD READINGS

The following bills were given third reading, upon motions.

Bill No. 42, An Act to provide for the Certification of Plans of Subdivision in order to Establish Title in Lands.

Bill No. 43, An Act to amend The Registry Act.

Bill No. 44, An Act to amend The Investigation of Titles Act.

Bill No. 85, An Act to amend The Cemeteries Act.

Bill No. 97, An Act to amend The Charities Accounting Act.

Bill No. 103, An Act to amend The Municipal Unconditional Grants Act, 1953.

Bill No. 108, An Act to amend The Highway Traffic Act.

Bill No. 118, An Act to amend The Succession Duty Act.

Bill No. 126, An Act to amend The Sheriffs Act.

Bill No. 136, The Public Hospitals Act, 1957.

Bill No. 139, An Act to amend The Factory, Shop and Office Building Act.

Bill No. 141, An Act to amend The Operating Engineers Act, 1953.

Bill No. 144, An Act to amend The Assessment Act.

Bill No. 146, An Act respecting Part of the Westerly Boundary of the Township of Faraday.

Bill No. 147, An Act to amend The Game and Fisheries Act.

Bill No. 155, An Act to amend The Municipal Tax Assistance Act, 1952.

Bill No. 156, An Act to amend The Ontario Municipal Improvement Corporation Act.

Bill No. 157, An Act to amend The Ontario Fuel Board Act, 1954.

Bill No. 158, An Act to amend The Gas Pipe Lines Act, 1951.

Bill No. 160, The Milk Industry Act, 1957.

Bill No. 161, An Act to reconstitute the Ontario Cancer Treatment and Research Foundation and the Ontario Cancer Institute.

Bill No. 164, The Ontario Water Resources Commission Act, 1957.

Bill No. 165, The Hospital Services Commission Act, 1957.

Bill No. 166, An Act to establish The Department of Transport.

Bill No. 167, An Act to amend The Liquor Licence Act.

Bill No. 168, An Act to amend The Liquor Control Act.

Bill No. 169, An Act to amend The Municipal Act.

Bill No. 170, An Act to amend The Ontario Municipal Board Act.

Bill No. 171, An Act to Provide for the Registration and Regulation of Children's Boarding Homes.

Bill No. 172, An Act to amend The Public Health Act.

Bill No. 173, An Act to amend The Pharmacy Act, 1953.

Bill No. 174, An Act to amend The Municipality of Metropolitan Toronto Act, 1953.

Bill No. 175, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Bill No. 176, An Act to amend The Marriage Act.

Bill No. 177, An Act to amend The Municipal Act.

Hon. Mr. Frost moves the discharge of order No. 39.

Motion agreed to.

NOTICES OF MOTION

Mr. R. Whicher moves, seconded by Mr. F. R. Oliver:

That a select committee of the House be appointed to examine into, and report upon, the economic condition of the agricultural industry in the province with particular reference to (1) the extent to which research is meeting the requirements of the agricultural industry; and (2) the price spread between what the farmer receives and the consumer pays for agricultural products.

And that the select committee have authority to sit during the interval between sessions and have full power and authority to call for persons, papers and things and to examine witnesses under oath, and the assembly doth command and compel attendance before the said select committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which purpose the Honourable the Speaker may issue his warrant or warrants.

He said: In my opening remarks concerning this resolution, may I say that, in my opinion, there are two classes of people in our province who are not getting a fair share of its prosperity, namely the old age pensioners and those engaged in agricultural industry.

Many hon. members have spoken during the session about the plight of

our farmers — hon. members from all parties — and I was particularly interested this afternoon in hearing the very fine speech by the hon. member for Glengarry (Mr. Villeneuve), in which he certainly said what I intend to say here this afternoon, in advising the government to have a select committee of the House set up for the purpose of examining into the economic condition of the agricultural industry of this province.

The consensus of opinion of all hon. members has been that, while other sections of our economy have been getting a fair share of our prosperity, the farmer has not been receiving a fair share.

The bureau of statistics shows that while costs are going up, income has been going down for them, in fact, drastically — about 48 per cent. in the past 5 years.

Costs have certainly increased. Taxes have gone up. We have heard, this afternoon, percentages in this respect. I am not going to repeat them, because they were given very capably by the hon. member for Glengarry; but he pointed out such things as building products have gone up almost double for the farmer, as have hydro costs, and particularly costs involving farm machinery and labour.

Labour, perhaps, is one of the greatest worries which the farmer has today. At today's prices, agriculture simply cannot compete with industry for the labour which is so necessary for the farmer to run his farm. No one will deny that there must be some definite reason for this lack of financial security of our farming friends.

Although I do not know the exact percentage of products grown in the province which are eaten by our own population, it is a very large percentage indeed. Because farmers are not unionized — which, so far, has been impossible in our province — I feel that some of them are taken advantage of by the large buyers of food, including large

packers, large chain stores, and the wholesale buyers of food. Also, farmers are taken advantage of by certain import regulations which appear to be most unrealistic for their welfare in this province.

Personally, I do not understand why it is necessary to import such staple foods as poultry, some dairy products, eggs, or, for an example, potatoes. I am told that the answer given by Ottawa is that such terms as "world trade" enter the picture.

That is one of the main reasons why I ask for a select committee to investigate such procedures which, on the surface, do not appear to be in the best interest of the Ontario farmer.

During this session, we have had a select committee set up on labour, and while I am personally very much in agreement that this committee has been arranged, and agree with it 100 per cent., nevertheless I respectfully point out, Mr. Speaker, that, comparatively speaking, labour is in a much better financial shape than the agricultural industry of this province.

I also mention again, just in passing, that we have heard reports from select committees in this House during this session on air pollution and toll roads. I have nothing against those committees. I believe they did an excellent job. But I do feel that the agricultural industry in this province is more important, at least to one segment of the population, than, for example, air pollution is. Both are necessary. While I agree the air pollution committee did an excellent job, I would respectfully point out that a select committee on agriculture also should be able to do an important job.

The farmer, Mr. Speaker, wants to help himself, but I feel the state or the province should help him in his present chaotic financial condition.

Across this country, there are many other industries which are being helped.

For example, many of them were given by the hon. member for Glengarry this afternoon. What about the special

tariffs and protection for General Motors and the Ford Company in Canada today? What about the tariffs that protect the manufacturers of refrigerators, sewing machines, and many other machines, some of which may be imported but at very high tariff rates? What about the assistance given by the federal government to such industries as gold mining? There are many industries greatly helped by both the provincial and federal governments in this country.

Hundreds of farmers at the present time are leaving their farms. If all those who were in reality losing money left their farms, there would be few remaining on the farms at all. The farmer works harder and longer for less financial gain than any other class of person. It is not just or right that he, above all others, should be financially paralyzed because his industry has been lower in the economic scale than those in the rest of the province.

I do not know whose fault it is. Obviously, leadership must come from the governments concerned—in our case the government of Ontario and the federal government at Ottawa. Let us find out what is the matter; let us have a select committee, impartial politically, and find out, first, what are the deep-rooted troubles of the agricultural industry, and, secondly, let us take the recommendations of the same select committee and do something for the farmers of this province who really need our help.

HON. W. A. GOODFELLOW
(Minister of Agriculture): Mr. Speaker, with respect to the resolution of the hon. member for Bruce, I am not going to elaborate at length on the two matters which are raised.

One is in respect to the study of the economic condition of agriculture, and the other, the suggestion of the inspection of the price spread between what the farmer receives and the consumer pays for agricultural products.

In addition to that, Mr. Speaker, I am not going to discuss the relative value of setting up a select committee

of the House to make a study of the various aspects of the agricultural industry of the province.

I would like to say, regarding what has been done and what is being done so far as research on behalf of the agricultural industry is concerned, that I feel down through the years, possibly no jurisdiction has shown as much incentive toward research for agriculture as has been shown in the jurisdiction in the province of Ontario.

I do not confine to that a period of time in administration, and it is a known fact the Ontario Agricultural College stands out, and has stood out, as a great example of an outstanding institution for education and research on behalf of agriculture in this province. Indeed, its influence has extended far beyond the boundaries of this province, and the results of the work at the Ontario Agricultural College have been disseminated down through the years.

I think I should at this time mention the fact that province of Ontario, over the week-end, sustained a great loss. Perhaps the outstanding man in research in this province, perhaps in Canada, died prematurely in Ottawa last Friday evening and was buried yesterday. I refer to Dr. Ruhnke, head of research at the Ontario Agricultural College, who was a recognized authority in that field in many jurisdictions.

I do feel it is a provincial responsibility, at all times, to promote research. Research, in itself, is of little value unless it is tied in with extension, which is putting research in the hands of those engaged in agriculture.

I feel that research and promotion are the responsibilities of both the Dominion and provincial governments, and they should be treated in the same manner as the marketing legislation, which is machinery placed in the hands of the farmers to sell their products collectively to the best advantage.

I think we have accomplished much as a Legislature, with our Farm Products Marketing Act, which has been passed

by the Legislature in the bill which has just received third reading, and The Milk Industry Act, which is a counterpart of The Farm Products Marketing Act, which we have brought down at this session. I do feel these two Acts can do much to provide the farm people of this province with the machinery to market their products.

I agree with the hon. member for Bruce that that is what the farmers want; they prefer a self-help programme, but it is our duty to give them the machinery or the tools to do the job. At all times, provincially, we should do everything possible to encourage better grades and qualities of farm products for the consuming public, not only to promote sales but to establish confidence on the part of the consuming public in the products of the soil.

In respect to research, I have before me some figures, the details of which I am not going to give to this House, but it does give an insight into the amount of work carried on at the Ontario Agricultural College alone. That work is not confined to the Ontario Agricultural College, but it is also being carried on at the Ontario Veterinary College, Macdonald Institute, and at Vineland.

I may say the Vineland station has made a great contribution to the fruit growers of this province, and is outstanding in the work of research and promotion of better fruits in the province of Ontario; also, to some extent, have our agricultural schools at Kemptville and Ridgeway.

Even in the department itself, we are always searching for ways and means to provide better methods of carrying on the industry of agriculture.

In 1950, in some 15 or 16 departments at the Ontario Agricultural College, 74,563 man-hours were employed in research at that institution alone. To give some idea of how that has been stepped up, the last report which we have, for 1950 to 1956, shows an increase from 74,000 until last year, more than 122,000 hours were spent in

research in various departments by the Ontario Agricultural College.

May I give the hon. members some further idea of what we are doing in research. Recognizing the fact that we are in a mechanized age, and that agriculture must adapt itself to constant changes, in 1950 the agricultural engineering branch at the Ontario Agricultural College shows 98 hours were spent for that purpose. In 1956, some 10,060 hours were spent, which would indicate that those men engaged at the Ontario Agricultural College recognize the importance of research in the agricultural engineering field.

I might say the institution at Guelph is only partially educational. Possibly, 65 per cent. of the time and the money, which is expended by this province at the institution at Guelph, is directed to research itself. I feel we need not take second place to any jurisdiction in respect to efforts put forth in research on behalf of agriculture.

I feel we have some outstanding men in the farm economics field. I find that Dr. Patterson, director of the farm economics branch of the department, is a very practical farm economist, and I might say that no one in the department is more in demand across the province of Ontario at farm meetings than is Dr. Patterson, which would indicate the deep interest in economics.

MR. OLIVER: Would the hon. Minister read the report of Dr. Patterson which he made at Winnipeg?

HON. MR. GOODFELLOW: I do not have it here.

MR. OLIVER: Does the hon. Minister recall what he said?

HON. MR. GOODFELLOW: I did read it but I do not recall.

MR. OLIVER: If the hon. Minister had read it he would recall. He said everything was lovely, and that the hon. Minister had fixed it all up.

HON. MR. GOODFELLOW: Provincially, I think we are doing everything possible.

MR. WHICHER: But is everything lovely?

HON. MR. GOODFELLOW: We will get around to that. I think, in addition to the work carried on in research in the various institutions and in the department itself, that we should be continually studying specific problems, specific aspects in respect to our agricultural economy.

With that in mind, I would suggest to the House that consideration should be given to the establishment of a committee of economists, sociologists, and, yes, possibly farmers, to study the different aspects of agriculture, to make a thorough study and see what they might bring forward which might be adopted in respect of the specific problems of agriculture in this province.

There is a clear-cut demarcation, in my opinion, in respect to the jurisdiction and responsibility of the provincial departments of agriculture and that of the federal department of agriculture. I am sure hon. members of the House would agree that no purpose would be served by making a study provincially in connection with the price spread between what the producer receives and what the consumer pays. I am definitely of the opinion that there is room for an inquiry in respect to that spread, if for no other reason than that it would point out to the consuming public the fact that the farmer is not getting as large a share of the consumer's dollar as most consumers would think he is receiving.

It was brought to my attention last summer that a certain store purchased a truckload of tomatoes at 55 cents a 6-quart basket in the morning. A neighbour of the man who had sold the tomatoes at that price went down and purchased a basket of those same tomatoes in the same store in the afternoon, and paid 99 cents for the basket

for which his neighbour had received 55 cents in the morning. I think it is things like that which disturb our farmers, and quite rightly so, when these extreme spreads do occur.

It was also brought to my attention that a certain person last Saturday went into a chain store to purchase 5 pounds of potatoes, and found that 5 pounds of Ontario potatoes would cost 29 cents—but that new potatoes from the United States were selling at only 25 cents for 5 pounds. It seems to me that there is room for consideration on the part of the federal government to giving some protection to our producers insofar as imports are concerned from other jurisdictions, especially when we have plenty of good farm products of our own to sell to our own consumers.

The farmer is definitely caught in the price spread between what he has to pay out for goods, which in some instances are protected by duties, and what he receives for his produce which receive very little protection, so far as the imports are concerned, from other jurisdictions.

I believe that the farmer today is entitled to protection, possibly more than industry. There was a time in our economy when, in order to encourage industry — manufacturing at home — considerable protection was granted. But it is possible that industry is in a far better position today to stand on its own feet without protection than is true of the agricultural industry.

We in agriculture are not only subjected to competition from the fact that food products are permitted in here in some instances duty-free, but also from dumping from other countries — which I mentioned when I spoke in this House earlier on the estimates of the department — which have a two-price system. That is, their producers receive one price for what is consumed at home and the government subsidizes the surplus, which is exported. This is very unfair competition indeed.

So I would say that I think there might very well be a further study made,

in addition to that conducted by the Gordon commission, into the economy of agriculture. If we do not have some protection, we are going to reach the point where, although we have always thought that we lived in the land of abundance insofar as food is concerned, we might easily wake up one day a few years hence to find that, with our increasing population, we will not be able to feed our own people with products from our own soil.

It is impossible for a provincial government — or rather, it is not impossible but it is not reasonable to expect that a provincial government should subsidize, and I will give hon. members an example of what I have in mind.

Due to a very unrealistic floor price under cheese by the federal government, we have for many years provincially, through bank guarantees, advanced credit to the cheese producers of Ontario, and I must say that it has certainly been an advantage to the cheese producers of this province, inasmuch as they possibly have averaged at least 5 cents a pound more than they would have received otherwise, had we not made these bank guarantees available.

These guarantees have cost the hon. Provincial Treasurer of this province no out-of-pocket expenditures, through good management on the part of the cheese producers themselves, who have been able to sell their surplus cheese which they have picked up off the market, and it has definitely been to the advantage not only of the cheese producers of this province, but indirectly to the dairy industry as a whole.

MR. H. C. NIXON (Brant): Mr. Speaker, has the hon. Minister any information as to the price received by Quebec cheese producers as compared to the price received by those in Ontario?

HON. MR. GOODFELLOW: I was just coming to the point that the hon. member for Brant has raised, that that is exactly where we have found ourselves this past year, that through the

bank guarantees which have supported the price of cheese at 34 cents a pound last year in the province of Ontario, we have in effect supported the cheese producers of the province of Quebec as well, and it has created quite a problem for the cheese producers of Ontario, since there was a tendency on the part of the trade to go to Quebec to buy a better quality of cheese.

In many instances the surplus which our cheese producers picked up off the market was not as high a grade as that which could be purchased from the Quebec producers, due to the fact that the surplus left on the market was naturally of a lower grade. So we have, in effect, subsidized the cheese producers of the province of Quebec by the bank guarantees we have made to the cheese producers of Ontario.

I say that these are policies which can only be carried out as they apply to all provinces of Canada, and I do feel that, insofar as realistic floor prices are concerned, the control of imports and exports is the responsibility of the federal government, and I hope that they will give consideration to the plight which agriculture finds itself in in this country.

We at the provincial level will do everything possible with regard to research, extension, marketing legislation and those things which encourage better farm management, better production and better marketing of farm products.

MR. P. MANLEY (Stormont): Mr. Speaker, may I be permitted to ask the hon. Minister a question? The hon. Minister said we help to keep the price of Quebec producers up. He also mentioned the fact that the guarantee was very beneficial to the cheese producers of the province of Ontario. I am in full agreement with that. Would the hon. Minister tell hon. members of this House, by giving this guarantee to the cheese producers of the province of Ontario, how much it has cost this provincial government during the last 3 years?

HON. MR. GOODFELLOW: I thought I made that clear. It has cost the hon. Provincial Treasurer, and the people of this province, nothing, through the good management of the cheese producers in selling their cheese.

MR. D. C. MacDONALD (York South): Mr. Speaker, we in the CCF support this motion, and we shall do so for reasons which are implicit in observations which I have made earlier during the session with regard to the economic plight of agriculture, and I will not repeat them again at this time.

There is one point with regard to the present economic plight of agriculture which I think is worth considering for a moment. I acknowledge this source to be in an article from which I have quoted earlier, in connection with the discussion of agriculture, an article in the February issue of the *Atlantic Monthly*, entitled, "Are Living Costs out of Control?" by John Kenneth Galbraith, who originally was a Canadian from western Ontario.

Mr. Galbraith's point is this: we have had the impression and we have been told that, since 1951, after the Korean War, the cost of living in the North American continent had levelled off. But he points out this very significant fact: in reality, the price level in the North American continent did not level off from 1951 on, that it continued to rise, and the only reason why the net level or the over-all cost of living index, so to speak, did not continue to go up was while everything else was rising, agriculture was going down, so that the averages were belying the situation. Agriculture's drop cancelled out the others, and there was a more or less stabilized picture until 1956.

But about 1956, on the Canadian side as well as on the American side, agricultural prices stabilized to a degree and ceased going down. Therefore, they removed the brake from the general cost of living, so that it started to skyrocket again, and as he points out, and as many other people have pointed

out in the Bank of Canada, and those who are directing the credit squeeze in Ottawa, we are now faced with an even more serious situation.

The point, Mr. Speaker, I think we should recognize, is that agriculture today is stabilizing at a depressed level, and that this gives every promise of being a chronic condition.

In other words, in the 1950's we are having a repetition of what happened in the 1930's in a different context. In the 1930's, agriculture was stabilized at a very low level and in effect the farmers of Canada were subsidizing the food bill of the nation. In the 1950's, it is stabilizing at a low level, and as John Galbraith has pointed out, they, in effect, have been subsidizing the food bill of the nation for the last 5 years.

That, Mr. Speaker, is the reason why the general proposition which is outlined in this motion is a very valid one, as the motion says, "that we shall examine into and report upon the economic conditions of the agriculture industry in the province." It mentions two points: research, which would make agriculture more efficient and therefore enhance its position economically; and secondly, this very important problem of price spread.

In that connection, I would just make reference once again to the argument of the hon. Minister of Agriculture which he advanced earlier, I think, on the estimates of The Department of Agriculture, to the effect that it is impossible to examine effectively the price spreads in the province of Ontario because the whole national picture must be taken into consideration.

I submit once again, Mr. Speaker, that that is not a valid argument in the examination of price spreads, even if it is restricted to Ontario. It is not so for the simple reason that the province of Ontario markets an overwhelming proportion of what it produces in Ontario, right here in our own cities, to our own population. We are not faced with that kind of situation in the western provinces, for example, where they

have not control of their own economic destiny to a very great extent, because they sell on the international market.

When the hon. Minister says he thinks there might be a role for a committee or a commission of economists and sociologists and farmers, I do not know how he is voicing any objection—if he is voicing any objection—to what in effect this motion calls for, and it seems to me, that he, in effect, is indicating that he might conceivably vote for it.

I would just say in conclusion, Mr. Speaker, at the risk of arousing some huzzahs once again from some quarters of the House, that the province of Saskatchewan is leading the way, and quite rightly so. For instance, its hospital insurance is 14 years ahead of this province. About 3 or 4 years ago, they established a Royal commission to look into the whole position of agriculture and rural life in the province of Saskatchewan, and it has produced a many-volumed report which is going to remain a classic and a landmark in the history of that province.

This commission is examining all the sociological as well as the economic problems in a changing rural environment, where, with mechanization, there are fewer people, and therefore the costs of services are higher, in addition to the basic economic problem of agriculture itself.

Therefore, Mr. Speaker, we will support this motion and, in light of what the hon. Minister has said, we look forward to the prospect that the government may support it too, and we may move on this.

MR. OLIVER: Mr. Speaker, until the hon. Minister spoke, I had a faint fluttering hope the government might condescend to acquiesce in the formation of the committee. I am not at all sure now that that is the intention of the government benches.

I want to remind them, however—and the government is always looking for precedents for any moves it makes—that this is not the first time that committees

have been appointed by this Legislature and charged with the responsibility of examining into the economic conditions of the farm industry. So that, if it is a matter of precedence that the government is afraid of, I can assure it that those precedents do exist.

The hon. Minister of Agriculture, in making his speech this afternoon, made one amazing statement so far as I am concerned. In one place, he wraps around him the clothes of smug self-satisfaction, and I do not like the cut of the clothes, nor do I like the way he wraps them around himself and his department.

HON. MR. GOODFELLOW: I never said that.

MR. OLIVER: No government, I suggest, in times like these should be satisfied with the conditions which exist in the basic industry of agriculture in particular, and no hon. Minister of Agriculture should be so self-satisfied with what has been, and is being, accomplished with his department that he will wave aside a suggestion that there should be a wider and a more comprehensive examination of the agricultural picture.

Then the hon. Minister of Agriculture went on to say that he thought some examination should be made of agricultural conditions, and then he arrived at the point where he suggested the composition of that committee should be made up of economists, sociologists and then in a wild burst of generosity, the hon. Minister suggested that possibly farmers might be included on that committee.

I suggest to the hon. members of this House this afternoon that, for the hon. Minister of Agriculture to suggest a committee of inquiry "which might possibly include farmers," is really a long step in the wrong direction.

I suggest seriously to the hon. members, Mr. Speaker, that a committee of the character suggested by the resolution, could do a very worthwhile service.

No one doubts for a moment that there is depression in the agricultural industry. No one suggests, I imagine, that to remove that depression would not be a good thing.

Now, in order to remove obstacles, one has to examine the premise upon which those obstacles rest.

Therefore I suggest to the hon. members of this House, in all sincerity, that the setting up of a committee to examine into these matters would unquestionably have beneficial results.

It will be argued, and it has already been, but if the hon. Prime Minister speaks, I know it will be argued further, that the federal government is responsible for these conditions that exist.

But I am quite willing to say to the hon. members of this House this afternoon, as I have said on other occasions, that the responsibility for correcting the conditions under which agriculture labours today does not rest with any one level of government; it is the responsibility of both the federal and the provincial governments to make moves which will arrest the tendency which is so prevalent in the farming industry, and to suggest that this province could not move in the right direction is begging the question. It has no validity, in my judgment.

Now, there are certain things which the provincial government could do as everyone in this House knows. They could study the whole question of subsidies. Subsidies are not a new thing in this province. They were, as the hon. Prime Minister knows, a part of government policy for many years. Irrespective of what anyone says in regard to the principle of subsidies, I suggest to the hon. members of this House that, during the period in which those subsidies were paid by the provincial government on basic agricultural products in this province, they did a great amount of good, not only for the farmers, but for the general economy.

I am not against subsidies in principle. I suggest that this committee might well examine just how the re-imposition of

subsidies in relation to some products that are depressed, particularly at this time, might help the industry and those engaged in it.

There is not any doubt that the question of research should be examined thoroughly. I do not agree with the hon. Minister for one moment when he expresses complete satisfaction with the advances that have been made in this field of research. Certainly, we have made some advances, but we have only scratched the surface of what I say could and should be done in the field of agriculture by enlightened research; and for the hon. Minister to stand up in this House and suggest that everything is being done that can be done and he is satisfied with what has been done is, I suggest —

HON. MR. GOODFELLOW: I did not say that at all. I said that we were always extending our research, and that we were making great strides in extending our research.

MR. OLIVER: I would say this to the hon. Minister, with reference to the strides that have been made in research, they were almost forced upon him by the times through which we are passing. Any government, let alone this one, would have had to bow to the inevitable and make some advances in research.

But I reiterate and repeat that what has been done is a mere fragment of what it is possible to do in the line of research in agriculture.

The hon. member for York South and others have suggested that the price spread should be examined. The hon. Minister says that is a federal responsibility. We are not limited in this province regarding any investigation of the conditions that affect the agricultural industry. There are no strings upon us that would restrain us or restrict us in an examination of the price spread conditions in this province. Is there any hon. member in this House who would suggest that, having obtained the results that would flow from an examination of

price spreads, that would not be a good thing?

Is there any hon. member who would suggest that the federal government — if that is where the responsibility lies, and I suggest it is — is there any hon. member who would suggest that an examination by a provincial body, and the results that would be obtained from that examination, would not be beneficial on the whole picture, and that it would not help the federal government to move to a re-examination of the whole picture?

Something was said, I think, by the hon. Minister of Agriculture in regard to importation of agricultural products into this province. I want to say this to the House, that for generations the farmers of Ontario, in company with the farmers of the rest of Canada, have been more or less free-traders. In the days when industry was being protected by a higher and higher tariff, the farmers of Canada were competing with the rest of the world with their products.

The conditions that prevailed in those generations have wasted away, and have given place to an entirely new concept of the farmer in this present day. I say without any hesitation whatsoever that the day has come in this country when a re-organization should be carried out in our import duties in relation to agricultural products, and that the import duties should be related in a realistic way to the need for the products in the first place, and to the impact that this would have upon the products produced in this province and in this country.

There is no limitation on this committee, as suggested by the hon. member for Bruce — no limitation whatever that will restrict the most exacting examination on the part of this committee of all these and related matters.

Therefore, if the government does not feel that they can acquiesce in the suggestion of the resolution, then I can only conclude by saying that they are aware of the situation, it is sitting on their doorstep, and if they do not regard strong action to be a necessity they are

shirking a very real matter in that respect.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I have listened to the hon. Leader of the Opposition, and I may say that in regard to what he says I find more areas of agreement with him than I have in most of the speeches that he has made.

I say so for this reason, that I think he puts a lot of the responsibility for the plight of the farmers really where it belongs, right on the shoulders of the Ottawa government; and I want to put more things on their shoulders.

MR. OLIVER: It is fifty-fifty.

HON. MR. FROST: The hon. Leader of the Opposition is a very eloquent gentleman, and he ended up with a very eloquent statement in which he referred to the matter of price spreads.

Of course, he knows that the price spreads are a matter for the Ottawa government — for the federal government. He knows that that is the case. As a matter of fact, we have had investigations into price spreads before. The Stevens committee, which investigated into this matter 25 years ago, was just symptomatic of that matter.

The hon. Leader of the Opposition has talked about imports. I agree that poultry, eggs and butter and things of that sort are coming into this province today in competition with our own farmers' products. I think, as I agree with him, that our farmers are very broad-minded, understanding and tolerant people, and they recognize the position of this country, and they recognize the problems we have to meet in the world.

But at the same time I think it is decidedly unfair that the farmers of this country should be bearing the brunt of a good deal of the concessions we have to make in trade agreements and arrangements elsewhere. I may

say that that is the fact as regards import duties.

I agree with the hon. Leader of the Opposition that the farmer, over the years and the generations, has had to bear the effects of protection of articles that are manufactured in Canada, and I would say, perhaps, it was, in many ways, a wise investment for the reason that a great home market has been built up.

But, on the other hand, the farmer has to deal in the markets of the world; he has to pay the prices that are asked of him; and, generally speaking, up to recent times he has had no bargaining power himself in relation to the products that he has been selling.

There have been this afternoon, or this last week, two very outstanding pieces of legislation that have been enacted by this House — the farm products marketing legislation and the milk marketing legislation—and I can assure the hon. Leader of the Opposition that they have been drawn after a close partnership and working arrangement with the farmers and farm organizations of this province.

I would say at the present time we are engaged in negotiating arrangements and a deal with Ottawa by which we can combine our legislative and administrative powers so that the farm legislation in this province and, indeed, in other provinces, can be supported.

Mr. Speaker, those are all matters contained in the condemnation of the hon. member of the policies of Ottawa, and I may add a few more to those. I reiterate the fact that a great deal has been done for farmers all over this country by the federal government that is not being done for the farmers of old Ontario and old Quebec.

MR. WHICHER: Let us investigate it.

HON. MR. FROST: We will have a little chat about that later. I would like to ask the hon. Leader of the Oppo-

sition to include this in the scope of his condemnation, and to include a protest against such things as The Prairie Farmers Assistance Act, in which \$10 million have been spent for farm assistance, and which does not apply to our farmers here.

MR. WHICHER: What about the Ontario gold mines? They do not have those in Saskatchewan.

HON. MR. FROST: Then we have The Prairie Farm Rehabilitation Act, which figures I gave this House the other day. There were expenditures of \$10 million spent in other provinces, available to all farmers except the farmers in central Canada.

Mr. Speaker, I have never been able to determine why it is that a farmer farming in Victoria county or Grey county or some other county in this province is a different person altogether, and is treated differently and treated at a different level, than are the farmers in other provinces. I could never understand that. I think it is about time some of our legislators who have been elected to look after the farmers of Ontario would remember they have a trust, and that it is their responsibility not to give away this trust; it is their job when they go to Ottawa to look after the farmers.

MR. WHICHER: That is what we want to do with this select committee.

HON. MR. FROST: Then the hon. member had better go up and talk to some of the members at Ottawa who represent the farmers, and the hon. member will not have to travel very far to discuss it with them.

MR. OLIVER: Does the hon. Prime Minister think we do not talk with our neighbours?

HON. MR. FROST: The hon. Leader of the Opposition does not seem to have very much influence. I may have to go up and spend a week-end

myself with the people at Ottawa in connection with hospital insurance, atomic energy, the milk board —

MR. WHICHER: It would be a lost week-end for the hon. Prime Minister.

MR. MacDONALD: A pipe line deal.

HON. MR. FROST: A pipe line deal and nuclear power. Surely hon. members could help by crossing over a few concession lines and talking to their friends there and thus help us make a better deal.

I would suggest they do this before the federal Parliament prorogues. I would suggest hon. members have a discussion with their federal members and persuade them to pass some of this far-reaching legislation which would benefit the hard-working farmers of Ontario, who for generations have been helping to carry the load for other jurisdictions.

I do not want to stagger our hon. members with some of the payments that have been made outside of Ontario.

MR. OLIVER: It is on the record now at least half-a-dozen times.

HON. MR. FROST: Regarding The Prairie Farm Rehabilitation Act, \$185 million has been spent, but not one dollar came into the province of Ontario. I would think hon. members on the other side of the House would be dissatisfied. I would say, however, it is not necessary for some of the hon. members here to have a select committee to bring out these problems. We are already dissatisfied and we have been out on the highways and byways fighting for our farmers.

MR. MacDONALD: Fighting a general election.

HON. MR. FROST: I might say in connection with this resolution that the matter of trade and commerce is for the federal government; that is reserved to them by The British North America

Act. I would say the matter of prices and tariffs is very definitely a federal matter, on which I could arm the hon. Leader of the Opposition and the hon. member for Bruce with a little memorandum which they might take up with them and which could be the basis of a discussion which might take place at Markdale or some of those places up there.

They could discuss these things over the week-end, and it might then be possible to get some action because the power is in their hands.

Mr. Speaker, the hon. Minister of Agriculture has by no means expressed self-satisfaction. As a matter of fact, his views in arming the farmers of this province with legislative powers is eloquently emphasized by the two Acts which he has just negotiated with this Legislature, which I understand is without a word of amendment by the hon. members of this House, which shows how well those "dirt farmers" from Northumberland represent the views and thoughts of the farmers of this province.

We are at the present time engaged, as we always are engaged, in the furtherance of the interests of the farming community.

MR. WHICHER: Let the hon. Prime Minister get a little more into their pocketbooks and it will make them happy.

HON. MR. FROST: The hon. Minister of Agriculture has told me about the matters that they are engaged in, in connection with the survey of the economic conditions, the conditions of rural life, and the agricultural position generally, in the province. I do not think perhaps it may be realized by the hon. members of the opposition that such men are working there at the present time as Dr. Drummond, who was connected of course with the Ontario Agricultural College and who I believe is one of the chief consultants with the Gordon commission, as Dr. Patterson, Dr. Campbell and others.

In connection with this resolution, Mr. Speaker, I am a great person for select committees, I think that has been realized, and I think that in my day as head of the government more select committees have reported, and their recommendations accepted and acted upon, than in any period in the history of the province, in fact more than in the whole prior history of the province put together.

MR. OLIVER: The hon. Prime Minister is veering away from it now, that is the trouble.

HON. MR. FROST: Now, as head of the government, I could not with that responsibility agree to a resolution that contains matters which are clearly beyond the competence of the Legislature of this province to deal with.

However, I am anxious to give this matter further consideration and I shall endeavour to do so. We have no night sitting tonight and it may be possible for me to give this matter consideration in the meantime.

With that in view, Mr. Speaker, I move the adjournment of the debate.

MR. OLIVER: One would almost think, to hear the hon. Prime Minister end up, that he was going to give this more mature and careful consideration.

HON. MR. FROST: I may.

MR. OLIVER: I know the antics of the hon. Prime Minister quite well, and I would like to ask him plainly right now if he is going to call this resolution again tomorrow.

HON. MR. FROST: I will give that consideration.

MR. OLIVER: If that is the best the hon. Prime Minister can do, it is not good enough.

MR. MacDONALD: The same consideration as was given the labour bill.

MR. OLIVER: Mr. Speaker, we are not going to carry this vote, we are going to vote on the adjournment motion.

MR. WHICHER: They have a chance to help the farmers. Now let them stand up and do it.

HON. MR. DUNBAR: Where is the farm of the hon. member for Bruce?

MR. SPEAKER: It is the adjournment of the debate.

MR. OLIVER: I know it is the adjournment of the debate, Mr. Speaker, but we do not want it adjourned.

The House divided on the motion:

AYES—72

NAYS—14

Motion agreed to on division.

Mr. G. Innes moves, seconded by Mr. H. Nixon:

That in the opinion of this House the Ontario Agricultural College and the Ontario Veterinary College and the Macdonald Institute should be removed from the jurisdiction of The Department of Agriculture and constituted a university to be operated under the direction of a board of governors.

He said: Mr. Speaker, this resolution has received favourable comment from the hon. Minister of Agriculture who stated that the matter had been given some preliminary study. I have received many expressions of agreement to this resolution from the students, graduates and former members of the advisory board.

Graduates in the applied and practical science courses have demonstrated that they are the equal, if not the superior, in calibre of many graduates in other universities in Canada. Many Ontario Agricultural College graduates are now holding top executive positions in some of the largest companies in America.

The Ontario Agricultural College, which should provide inspiration and direction for sound leadership, has been conspicuously missing. They have made a reasonable contribution and scientific development, but the most important aspect, namely that of social and economic contribution, has been sadly lacking.

New and proven methods must be tried to increase efficiency, with the view in mind of returning more profit per man and per farm. The future of the agricultural industry depends on an efficient and prosperous agriculture. We cannot and should not subsidize inefficient operators.

The Ontario Agricultural College should operate in an atmosphere of independence and security. An independent governing body is the first requirement. It should be free of all political direction and be free to develop sound and progressive agriculture.

A meeting at the agricultural institute of Canada and the alumni of the Ontario Agricultural College was held in London only last Wednesday, March 27th. A panel discussion was held on the possibility of the Ontario Agricultural College being changed into a university, and the feeling was that such a move would be beneficial both to agriculture and the general development of the Ontario Agricultural College.

Agricultural scholarships fall short of those available in many universities in the province. If the college were not under the jurisdiction of the government, large companies engaged in agricultural commodities would be persuaded to contribute to an endowment fund or more scholarships could be set up. A large expansion programme, as the hon. Minister has stated, is taking place at the college at the present time, and I do feel that the time is very opportune to promote and constitute it into a university.

For instance, the department of forestry at the University of Toronto can be moved to Guelph, and this would give more space for other studies at the university.

Mr. Speaker, it is not my intention to labour this for any great length of time. All hon. members here, judged by the comments this afternoon, are aware of the agricultural crisis, and any move we can make to alleviate this situation should be made.

One of the recommendations made by the select committee of the Ontario Legislature in 1950 was, and I quote:

It is therefore recommended that the Ontario Agricultural College, the Ontario Veterinary College and Macdonald Institute of Home Economics should be federated into one educational institute under a president, 3 deans, namely a dean of agriculture, a dean of veterinary and a dean of home economics.

It should be accorded the status of a university, but should continue to be operated as at present for degree-granting purposes. I say the need is here, and we appeal to all hon. members to support this resolution for the betterment of agriculture and in particular lines such research, advertising, quality, and packaging, and consequently the betterment of ourselves and the people of the province in general.

HON. MR. GOODFELLOW: Mr. Speaker, in connection with this resolution which stands in the name of the hon. member for Oxford, I did discuss this matter in my remarks when I presented the estimates of The Department of Agriculture to the House, and I did at that time express the view that there might be some merit in the content of this resolution which is before the House.

However, it is a matter that has to be given very serious consideration, because the Ontario Agricultural College has been considered by the farmers of this province down through the years as belonging to agriculture, and before we carry on any programme which might enlarge the faculties at Guelph — that is the agricultural college, the veterinary college and Macdonald Institute — we

must make sure that agriculture will continue to predominate.

The farmers of this province feel that this is their institution, and we must make sure, in any consideration or any steps which might be taken towards the establishment of university status at Guelph, that those departments which may be considered as experimental research in nature — such as field husbandry, dairy husbandry, agriculture, livestock and all types of experimental work in several other departments — should remain, and work which is for the most part research and extension, should be retained by The Department of Agriculture.

In spite of the fact that it is true that a large percentage of the graduates from these institutions are not remaining in active farming, yet farmers consider it to be their college, and they would be very jealous of any rule that was made which they might consider as being an attempt to usurp from them the controlling interest, so to speak, in the Ontario Agricultural College at Guelph.

As I explained the arrangement before, there has been incorporated at Guelph, in addition to home economics and agriculture, the veterinary college. As a matter of fact, the veterinary college was opened while I was at the Ontario Agricultural College myself, so there are 3 existing faculties at the college, but they are very closely allied and before any consideration is given to any further faculties being introduced we would have to make sure that they were also very closely allied to agriculture, and directly or indirectly would be of benefit to agriculture as a whole.

I have often felt that possibly courses at Guelph directed towards training and even graduating of high school teachers to be employed in the so-called rural high schools of Ontario could be beneficial to agriculture as a whole, in taking a long-term view of the influence of these teachers and the training they would receive from the Ontario Agricultural College and its environments.

We are spending at the present time on operation this year nearly \$4 million at the Ontario Agricultural College; \$233,000 at Macdonald Institute, and a little over \$1 million at the veterinary college. Those expenditures have been rising very rapidly and I might say, as I told the House in presenting the estimates, that we give them a blank cheque insofar as the budget which they present to The Department of Agriculture is concerned, for the operation of these 3 faculties at Guelph.

In addition to that are the advisory committees which were established some years ago. In the re-setting up of these committees, as some of the members are automatically retiring, it is our intention to recommend that the alumnae should be recognized on the boards, not only of the Ontario Agricultural College, but of the veterinary college and Macdonald Institute.

I do feel that it is a very important body, and very conversant with the operation of the respective institutions from which they graduated and should be represented on those boards.

I might say as Minister I could not care less what the political complexion might be on these advisory boards, and I believe they do serve a purpose, and if and when they are replaced by a board of governors which would almost automatically follow, that the status of the university would be established at Guelph. The responsibility of that board of governors would be much greater when they have to secure the funds for the operation of those institutions than they are at the present time when they get a blank cheque from this provincial Legislature.

MR. MACDONALD: The hon. Minister has indicated that he is giving the objective of this motion serious consideration. The disturbing thing about that is that his predecessor, the hon. member for Peel (Mr. Kennedy), when Minister a full 10 years ago, indicated that he was giving the matter consideration and nothing has happened.

The question arises as to how long consideration is going to go on if this is a desirable objective, and I think it is a desirable objective.

As a matter of fact, I just want to broaden the whole proposal that has been raised here as to what might be developed at the Ontario Agricultural College a little more, and I do so, not with any suggestion that the major objective of meeting agriculture's needs should get lost in the shuffle. The hon. Prime Minister and the hon. Minister of Education (Mr. Dunlop) have been emphasizing what a great problem we have in developing the necessary facilities to provide higher education in the years that lie ahead.

It seems to me that the institution we have at Ontario Agricultural College could be developed more broadly with the addition of further sections to include even such branches as the dental and medical schools to meet the present needs of more personnel in these fields.

It could be divorced from the agriculture department without failing to fulfil the needs of the agriculture department. As a matter of fact, it is just possible that if more land and more expansion area is required, that when the Fauteux report is implemented and the federal government takes over some of our higher institutions, that the Guelph jail farm—or whatever the correct terminology is for it, might disappear. There is then an immediate area with some buildings that could be incorporated into this kind of expansion programme.

As a matter of fact, Mr. Speaker, I think it is interesting — if we are considering all these variations of possible expansion — to recognize that what is being suggested here is something which has already been done in quite a number of American states, where they took small universities and developed them into a state college or a state university, in some instances with the development of dormitories where they were able to provide accommodation at the lowest possible cost,

thereby, once again, lowering the high costs of higher education.

A state university or a provincial university under its own board of governors out in the country, and in a compact area, is the kind of thing that might have a great deal of merit, when the object of this motion is considered. We shall certainly support it.

HON. MR. FROST: There are some things to which I want to refer in relation to these matters. One of them, of course, is the matter of finance. As the hon. Minister of Agriculture has said, the government pays the bill for the school or for this college, subject, of course, to the payment of the ordinary fees that are payable in that institution, which are very much lower than elsewhere.

I very well remember the late Dr. Althouse discussing this matter with some people from Guelph, because I have some degree of familiarity with this problem, and he pointed out that if this school was taken away from The Department of Agriculture, and was treated as an independent university, then it would, of course, have to face the hazards that these other schools are meeting at the present time; Assumption University, for instance, of Windsor, starting up now and engaged in a campaign to raise money. That is happening in the other 8 universities we have in the province of Ontario.

That is a very serious complication, a very serious problem, and I can assure the hon. members opposite that it has been given very great study and very great consideration.

The other point to which I want to refer is the fact that this is the farmers' school. This has been regarded since the beginning of time as the farmers' school.

The hon. members opposite who talk very easily about the creation of a new university at Guelph, are really doing this while our farm population in Ontario have their backs up against the

wall in many ways. The hon. Leader of the Opposition mentioned they are not receiving the protection from imports and price spreads, and they are not receiving the assistance that the prairie farmers and the farmers elsewhere in Canada are receiving. Now the hon. members opposite propose taking away their school from them. I think it would have a disastrous effect on the morale of the farm population of this province.

It is all very well to talk glibly in one resolution about the requirements of research, and then on the other hand to suggest we take away the farmers' school and farmers' college from them, and to say that The Department of Agriculture, which is their department—the department which has been created for them, the new farmers' department—should have nothing to do with the farmers' school.

Mr. Speaker, I would hate to go out and tell that to the farmers of this province.

I would say to the hon. member for York South who can box the compass on pretty nearly any subject he wants to—

MR. WHICHER: The hon. Prime Minister is the champion at it.

HON. MR. FROST: May I say to the hon. member for York South that that is the reason, and the substantial reason, why this matter has been looked into and has not been carried on.

As a matter of fact, there are perhaps some very valid arguments, that there are too many graduates now of the Ontario Agricultural College who are going into other things than the business and the profession of agriculture. I think perhaps that is one of the arguments from the standpoint of education.

Now the hon. member for York South turns around and talks about starting up medical faculties and other things there and taking it away from agriculture, and losing sight of the fact that it is Ontario's great agricultural university,

to assist the farmers of this province, raising their standards of living, to help them do some of these things: to study and look intelligently at the economic conditions in the rural life, to look at rural life as it is, to look at the agricultural position of the farmers of Ontario.

I want to say to the hon. member for York South in his discussions of these matters—as I say, he can pretty well effectively box the compass—

MR. MacDONALD: I have been watching the hon. Prime Minister for a while.

HON. MR. FROST: I am not including the hon. member for Oxford in the nature and extent of the castigation which I bestow upon the hon. member for York South, because I think the hon. member for Oxford has not had the opportunity of knowing the nature and effect of the proposal that is here.

I would say to the hon. member that this has been given discussion and consideration and will continue to receive discussion and consideration. But I can assure him the last thing this government will ever do will be to take away from the farmers of Ontario their school and their university.

MR. OLIVER: Mr. Speaker, I had not intended saying anything on this resolution until the rather alarming speech of the hon. Prime Minister of this province. He is leader now of a government, and he once upon a time was chief lieutenant of a government that was just preparing to do this very awful thing that he suggests should not be done.

HON. MR. FROST: I stopped it.

MR. OLIVER: The hon. Prime Minister did not stop anything.

MR. NIXON: Does the hon. Prime Minister know who did stop it? It was George McCullough, a member of the University of Toronto board of governors.

MR. OLIVER: I am going to say just this regarding all the fears the hon. Prime Minister expresses this afternoon in the excited state that he works himself up into.

Back a few years ago hon. Mr. Kennedy, when he was introducing his estimates, introduced a lump sum for the agricultural college with the proud explanation that the board of governors which he was about to appoint would be dispensing with money. In other words, he made it quite clear that he was prepared to make a university out of the college and appoint a board of governors.

I do not recall the hon. Prime Minister getting so excited in those days about the possibility of Guelph becoming a university. He has generated all this concern —

HON. MR. FROST: I was, in a very quiet way.

MR. OLIVER: — in the intervening years. It is all “eyewash” from the hon. Prime Minister to say that agriculture would lose its university, or its college. Why, it would be proud, I suggest, to be identified, as it would be identified, with a university rather than an agricultural college.

I would say that the agricultural college has grown up in this province, and if we are ever going to give it the status of a university the time is now; and I repeat, before I sit down, that any suggestion that that would be detracting from its effectiveness as an instrument for agriculture is “plain silly”, and the hon. Prime Minister well knows that.

MR. INNES: Would the hon. Prime Minister permit a question?

HON. MR. FROST: Yes.

MR. INNES: Would the hon. Prime Minister say that the farmers have the problem of operating this college at the present time to their satisfaction, rather than the jurisdiction of The Department of Agriculture?

HON. MR. FROST: I would say, in answer to that question, that, of course, the college has been, for generations, I would say, under the jurisdiction of The Department of Agriculture, and it has been administered and developed as an agricultural school. What you are doing is that you are dropping the pilot — you are cutting the painter — and you are taking this college, which is run as a farmers' college, and you are handing it over to the doctors and engineers and taking this school away from the people it was designed for — the farmers of Ontario.

HON. J. N. ALLAN (Minister of Highways): I have been very interested in the remarks during this discussion, especially those from the graduates of some of the other universities, who seem to say, in effect, that the universities are not doing the job for the province that should be done, and that we should have a university with the basis of the Ontario Agricultural College.

I have been expecting the hon. member for Brant (Mr. Nixon) to stand up and say to these graduates of other universities what a wonderful institution the agricultural college has been.

MR. WHICHER: Which other graduates? The hon. Minister said “the graduates of other universities.” Which graduates is he referring to?

HON. MR. ALLAN: Generally. May I say, as a graduate of the Ontario Agricultural College, and one who has admired the college for many years — as I am sure the hon. member for Brant has — and who has a great respect for the Ontario Agricultural College, there is a tradition in connection with that school — and it is a great tradition — that I cannot help but think that the farmers of this province would feel that their feet had been cut out from under them if we were to do away with the Ontario Agricultural College and have, instead, a university.

I say, and I base what I am going to say upon absolute facts, that McMaster

University came over to Hamilton as a school that was under the jurisdiction, largely, of the Baptist church; and then they decided to expand — to become a great university.

What has been the result? McMaster University is now a university with a school of theology, it is true, but McMaster University is now a university independent of the Baptist church.

MR. NIXON: Is that not a good thing?

HON. MR. ALLAN: I am not saying whether it is a good thing or not; but it is not a good thing for the Ontario Agricultural College to have the agricultural part of the college swallowed up in a big faculty which might become a university.

MR. NIXON: Why did the hon. Minister drag McMaster into this?

HON. MR. ALLAN: Because I wanted to point out what happens to the original purpose of a school when a university is formed; and it could happen to Guelph; and as one who is expressing again the confidence which I have in the Ontario Agricultural College.

It has been a wonderful institution. The graduates from that school are everywhere throughout the province. The head of Western University is a graduate of the Ontario Agricultural College; so is the principal of the high school in our town a graduate of the Ontario Agricultural College. That institution is doing great work as it is, and I feel sure that the government wants it to continue to do just that work.

Mr. Speaker, I would move the adjournment of the debate.

Motion agreed to.

Mr. J. J. Wintermeyer moves, seconded by Mr. H. A. Worton:

That in the opinion of this House all contracts let by The Department of Public Works together with all bids

received shall be fully publicized and made available to all persons concerned.

He said: Mr. Speaker, in view of the late hour, it might serve my purpose if I were to ask the hon. Minister of Public Works to explain to this House exactly what the procedure is at the present time, if the hon. Minister wishes that procedure to be followed.

HON. W. GRIESINGER (Minister of Public Works): Mr. Speaker, in answer to the hon. member for Waterloo North, may I say at the start that when I was privileged to take over the responsibility of The Department of Public Works I was, naturally, very much interested in the procedures which were being followed insofar as the advertisement of contracts was concerned, and how they were handled.

I might say that, apparently, for the past 15 or 20 years it appeared to have been the prerogative of the Deputy Minister and the Minister of the department to assume responsibility for the opening of tenders, and in some cases, I am told, the responsibility rested entirely on the shoulders of the Deputy Minister.

Several years ago it was felt—and I must be quite frank with the hon. member—that, for the past 15 or 20 years, there was not a great deal of building going on, but in the past 2 or 3 years there has been, and I felt that the procedure that was being followed was not the proper one, and the Deputy Minister and the Minister could not cope with the number of tenders being called, so the situation was changed, and we adopted the system of a tender committee composed of 5, with the Deputy Minister and the Minister himself *ex officio*.

Now the committee itself consists of the chief purchasing officer, the secretary of the contract department, the executive assistant to the deputy, and two of the principal mechanical trades representatives, depending on what sort of contract is being opened. It may be the chief of

the mechanical department or it may be the chief of the plumbing and heating group or it may just be general trades.

But the committee in any case consists of 5.

When the contracts are received, the time for opening takes place, usually at 4.00 o'clock in the afternoon on the day of the receipt of the contracts.

Of course, contracts come in previous to that time, and it is the responsibility of the Deputy Minister to see that they are locked in a safe until such time as the tender committee sits and reviews tenders.

The tenders then are formally opened, recorded and witnessed in this committee. Then they are typed on what we call a "tender form" or "tender sheet", listed one after the other as to the price given, and also any other incidentals which may come in. After that, they go to the respective departments; that would be possibly the chief of the electrical or the chief of the mechanical groups, each one has the opportunity to thoroughly check the whole contract for accuracy, variations, alternatives and omissions.

Then that is compiled on a separate sheet and is reviewed by the Deputy Minister, who in turn makes a recommendation, and in every case the low tender is approved by the Minister himself.

First, I would like to point out that there is a great deal of difference between a general contract on a building such as, say, the treasury building, or the building at Osgoode Hall, than there is to a contract which may be set up for The Department of Highways.

We ask for unit prices, we ask for alternative bids, probably concerning different types of windows—that is, aluminum windows, wooden windows or possibly steel windows.

We also, under present conditions and in order to be of some assistance with respect to unemployment, include

a winter clause, because most of our contracts, the large ones in any case, naturally run through the winter months.

There may be a tremendous variation in what one contract will allow for winter work as compared to another. So those things have to be looked over, carefully analyzed, and it may take a week or 10 days before the spread sheet is completed and the contract is awarded.

In the majority of cases when a tender is opened, the low tender very seldom changes, but on some occasions it does. In such cases, there is always a reason for that, due to variations.

We have found that the system is working very well, in fact, we have had a large number of contractors call us telling us they appreciate the way it is being done now, because it has eliminated a lot of time being wasted. In other words, we now open tenders usually on the day they are supposed to be opened, and after they are analyzed, the contracts are let to whoever the successful bidders might be.

After the contract has been let, anybody who has an interest in that contract, can get any information they want pertaining to it; we are quite pleased to give it to them. It is the privilege of the contractors or the sub-bidders to know the information they want, and I have no objections, and I have instructed my senior officials that we will give out any information which any contractor wants in such a connection; we will give them a complete comparison from the high to the low, and they appreciate that greatly.

We have no objections to doing it; I believe in previous years that was never considered, but at the present time any information, after a contract is let, is open to the public or contractors or people connected with them.

I think probably that answers the question of the hon. member for Waterloo North.

MR. WINTERMEYER: Mr. Speaker, I appreciate the comments of the hon. Minister, because I can assure him from the very outset that I am not here to complain of any particular instance of wrongdoing or anything of that sort.

The reason for this resolution lays entirely in the fact that one or two very substantial contractors, whom I prefer not to identify as such, have said that the hon. Minister's procedure, as compared with the procedure at Ottawa, varies to this extent, that on the occasion of the formal opening of the tender at Ottawa, a representative of the industry — if you will, of the construction industry — sits in and surveys the tenders. That is of great assistance to a man who is bidding constantly, because it gives him an opportunity to know wherein he failed, and it fortifies his position in respect to any future tenders.

I am told that that is not the case here. I appreciate the effort the hon. Minister makes before the formal opening, when the typed tender sheet or spread sheet is prepared and so forth. I do not think anybody can quarrel with that.

But I do think that at some stage, rather than the mere opportunity to inquire by letter, some representative of the industry should be called in and the whole sheet could be explained to him, and he will bear the responsibility of carrying that information to those people who are interested. Because, as I understand it, these are, by and large, large contractors; the department is not dealing with an indefinite number of people, it is dealing with a relatively small number, all of whom are members of the organization, the exact name of which I do not know, but I am sure the hon. Minister does.

It seems to me that if we are talking about good public relations, and if we are talking about prudence and good business relationships for the people who are doing this work, we should not always be concerned with the question

of whether there is something wrong or "under the table" or anything like that. I am not thinking of that sort of thing, I am trying to build up in the minds of contractors an understanding that they are being dealt fairly with, and I am sure they are. Their relationship with the department, their co-operation with the department, will be far better if they have a feeling there is nothing hidden about these tenders, that there is an explanation why they did not get the job.

The particular instance I had in mind was that of a contractor who was a very well-known, reputable Ontario contractor, who advised me that he has bid several times and never had had a word as to how he fared. It is conceivable that he could walk down to the hon. Minister's office, or send a delegate to his office, but there may be some hesitancy about that, and I question the advisability of whether he should be expected to make the inquiry.

It would be better by far, it seems to me, that the department's public relations branch devise a system either identical to that used by Ottawa or something slightly different which has, as its basic purpose, the objective that the entire tender sheet be made available to the industry, so it can analyze it and so it will have an honest understanding of why the tender went to a particular person.

For the man who is really trying to win a tender, it will give him some worthwhile opportunity to improve his method or his particular bidding on the occasion of future tenders.

Mr. Speaker, that is all there is to this, and I do not want to make a big issue about it, but it does seem to me that in the interests of prudence and in the interests of good business relationships and in the interest of all of us — because I think all of us should be concerned with the utmost freedom and publicity with respect to this sort of thing — that the suggestion which is analyzed and outlined in this particular resolution should be given serious con-

sideration, and an effort be made to publicize or make available to representatives of the industry the entire picture, after the awarding of a tender has been made.

HON. MR. GRIESINGER: Mr. Speaker, in answer to the question of the hon. member for Waterloo North, we started some 6 months ago a system, after the contracts were let, of writing to all those who had bid on a contract, thanking them for doing so and expressing appreciation and voicing the hope that they would continue to do so. We are considering this possibility also, of once a month doing something similar to what is being done in Ottawa—to announce to the newspapers the contracts which have been let, naming the contractor and amount. We are trying to decide how low an amount we should go to in that respect, whether it should be around a \$5,000 figure or something like that.

I do appreciate the ideas the hon. member has given me. We have nothing to hide. I have high regard for the honesty of our senior officials, and I can assure you, Mr. Speaker, that I trust them as I trust anybody else in this House. But I do appreciate the information and the ideas the hon. member for Waterloo North has given me.

HON. MR. FROST: Mr. Speaker, it is 6.00 o'clock and I do not propose to enter into the debate on this subject.

Hon. Mr. Frost moves the adjournment of the debate.

Motion agreed to.

Hon. Mr. Frost moves, seconded by hon. Mr. Porter, notwithstanding the previous order, that this House adjourns the present sittings thereof, and do stand adjourned until 1.30 of the clock tomorrow afternoon.

He said: Mr. Speaker, before you put that motion, I might make this explanation. The House, convening at 1.30 of the

clock, will enable us to deal with whatever business there is before the House, and to have the concluding addresses on the budget debate, which will be very short, owing to the fact, if it is possible to adjourn tomorrow, that certain hon. members can meet their trains. The speeches will not be long, certainly from this side of the House, in any event.

Following the conclusion of the budget debate the necessary supply bill and other formalities, in relation to the budget, including estimates, which is a technical matter, are required. Those things will be carried through.

Mr. Speaker, if the committee on privileges and elections has not reached its decision, then the House will adjourn until a time to be determined at that time.

Mr. Speaker, I want to make this perfectly clear: in connection with the deliberation of the committee on privileges and elections I do not want any undue haste, nor do I think do any of the hon. members of the committee. This is a matter that ought to be very carefully and patiently determined and without any haste whatever.

I did say to someone, earlier in this session, that I was prepared to sit here until June. I made that statement in connection with another matter—hospital insurance—but that matter has been resolved, I think, to the entire satisfaction of us all here and, therefore, it is not necessary to sit till June on that account. I would say I have very much enjoyed this session and I would be very pleased to sit longer, if it is necessary to sit longer, and I would be very glad to sit until June.

I make this motion concerning the meeting of this House tomorrow at 1.30 o'clock.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.05 of the clock p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, April 3, 1957

THE QUEEN'S PRINTER
TORONTO
1957



CONTENTS

Wednesday, April 3, 1957

Report, standing committee on privileges and elections, Mr. Cass	1979
Conclusion of the debate on the budget, Mr. Oliver, Mr. Frost	1987
Motion to amend budget motion, defeated	1996
Motion to adopt government budget, agreed to	1997
Estimates, Department of Public Works, Mr. Griesinger	1997
Granting to Her Majesty certain sums for public service, Mr. Porter, first, second, third readings, agreed to	2002
Prorogation speech, Lieutenant-governor	2007
Prorogation	2011

LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

WEDNESDAY, APRIL 3, 1957

1.30 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. F. M. CASS: Mr. Speaker, I beg leave to present a report of the standing committee on privileges and elections and move its adoption.

CLERK OF THE HOUSE: Your committee begs to report the following:

The committee met on Tuesday, April 2nd, to deal with the matters referred to it by the House upon the motion of Mr. H. E. Beckett, seconded by Mr. R. E. Sutton, whereby it was ordered that the allegations made against certain hon. members of the House by the hon. member for York South (Mr. D. C. MacDonald) during the discussion in committee of the whole House of Bill No. 25, An Act respecting the township of Scarborough, on Thursday last, March 28th, be referred to the standing committee on privileges and elections.

When the committee convened at 9.30 on the morning of Tuesday, April 2nd, all members were present and Mr. F. M. Cass was duly elected hon. chairman.

All hon. members of the committee having been furnished with a mimeo-

graphed copy of the draft report of the proceedings in question, which had been prepared by the *Hansard* reporters, it was agreed that the hon. chairman should indicate the portions thereof which he regarded as containing the allegations referred to in the order of the House.

For convenience, a copy is attached hereto and those portions are marked in the margin. They appear at pages 6, 7, 8, 9 and 12. Mr. MacDonald agreed at once that those portions contained the allegations or charges referred to.

The committee continued its sittings until 1.00 o'clock in the afternoon, and then adjourned until 8.30 in the evening continuing its public sittings until 2.30 on the morning of Wednesday, April 3rd. The committee met in camera at 10.00 o'clock on the morning of Wednesday, April 3rd, to prepare its report.

Mr. Joseph Sedgwick, Q.C., appeared for the Keystone Realty Company and Mr. H. Fishleigh. Mr. John Grogan, Q.C., appeared for the public utilities of Scarborough township. We are grateful to both of these learned gentlemen for the assistance given the committee.

We are also grateful to Mr. Campbell, the reeve of the township, Mr. Leslie, the chairman of the public utilities commission, and Mr. Brown, who has been a member of the public utilities commission for a great many years. These gentlemen, in taking the witness box, explaining the situation as they knew it and answering ques-

tions, assisted the committee in its deliberations very considerably, as did Mr. Harrison, who has been an employee of the public utilities commission for a great many years.

Mr. Taylor, the assistant solicitor for the township, also gave his evidence with clarity and conviction, and we are grateful to Mr. K. Grant Crawford, the Deputy Minister of Municipal Affairs, for the expert advice he gave the committee in answer to their questioning with respect to matters of a rather technical nature. No restrictions were placed by the committee on the calling of witnesses or hearing of evidence.

Mr. MacDonald, soon after being sworn, withdrew all allegations and charges of impropriety that he had made against Mr. Beckett and this he did without qualification.

With regard to charges against Mr. Sutton and Mr. Fishleigh, Mr. MacDonald expressed the view that he had been misquoted in the *Hansard* report, although he took this view only toward the end of the hearing, having agreed that the portions of the report indicated by the chairman as containing the charges or allegations were accurate when the question was put to him regarding the accuracy toward the commencement of the proceedings.

It should be noted that the committee afforded Mr. MacDonald every opportunity of calling witnesses and otherwise adducing evidence and of cross-examination throughout the hearing. The only witnesses he sought to call were those men against whom he had made charges. The 3 hon. members of the House against whom charges had been made voluntarily came forward to make statements and, in fact, of their own volition although not requested to do so, made those statements under oath. They submitted to cross-examination by Mr. MacDonald and others present.

The committee finds that Mr. MacDonald failed to substantiate the charges made by him.

It is a matter of regret to the committee that an hon. member would make such serious charges against other hon. members in the absence of material establishing proof of the facts charged. In the opinion of the committee, from the admissions and statements made at the hearing by the hon. member who made the allegations, those allegations ought never have been made by an hon. member of this House.

A review of the proceedings of the committee has not been set out in detail, as copies of the transcript of such proceedings will be supplied to all hon. members of the House and to the Parliamentary press gallery.

MR. D. C. MacDONALD (York South): Mr. Speaker, before that motion is adopted, I would like to make some comments and I would like to make my comments in two parts, the first being in reference to Mr. Beckett.

I have always considered the position of Mr. Beckett to be in a different category from that of Mr. Fishleigh and Mr. Sutton. At no time have I said, or intended to imply, that Mr. Beckett was financially interested in any of the companies which will benefit from the money authorized by Bill No. 25.

What I did state, quoting from official Scarborough committee minutes, was that the Scarborough public utilities commission:

has not authority or legal responsibility to make payment to the subdividers, due to the ruling of the Ontario municipal board, or in other words until the Ontario municipal board approval has been received no payment could legally be made.

Further, that it was the advice of Mr. Beckett:

that the only recourse now open was for the commission to pass a resolution requesting township council to present a private bill to the Legislature.

In other words, I stated that Mr. Beckett, in his capacity as solicitor for

Scarborough township, had originated the proposal for a private bill to legalize payments of the claim, and therefore had a personal interest in the bill.

Now, I must admit I made a mistake—the mistake of accepting as accurate the official minutes of the Scarborough township meetings last November 2nd and 16th. Yesterday, in committee, Mr. Beckett repudiated these minutes, some 4 months after they had been prepared, and accepted, in accordance with normal procedure, with no protest from others present, as being an accurate report of the meetings.

Basing my conclusions on these inaccurate minutes, I was led into my second mistake: that of misrepresenting what Mr. Beckett now states to be his opinion. For that misrepresentation, I am willing to express my regrets within the context that I have outlined.

But all of this leads to the second comment on this report. If ever further proof was required that all is not well in Scarborough township, yesterday's meeting provided it.

Evidence raised serious doubts in the minds of hon. committee members—doubts that were expressed at the time—regarding the procedures and authenticity of official minutes. Despite Mr. Beckett's repudiation at this late date of the official record of his alleged opinion "that the commission has no authority or legal responsibility to make payment to the subdividers", there was tabled with the committee a letter to Deputy Solicitor Taylor from the secretary of the municipal board, dated last September, observing that if there were agreements with the subdividers "such an agreement could not legally be made by council without the prior approval of the board before the work was undertaken."

The committee heard a sworn statement from Reeve Campbell—in explanation as to why prior application had not been made to the municipal board for authorization of projects—that the township had told the subdividers to go ahead without realizing that they were running out of surplus money.

The statement was repudiated by one public utilities commission official, but it stands as a most astounding reflection on the abilities and alertness of the township officials and elected representatives of the day. At what point along the way they did discover that surplus funds had run out, the reeve did not say; but failure to make application to the municipal board continued until 1956.

Finally, the committee heard evidence from a public utilities commissioner that all the resolutions regarding individual projects were passed on to the council, but he had no explanation as to why they bogged down at council level for so long that the work was completed, and the municipal board approval could not be secured so as to be able to make legal payment.

This failure to make application to the municipal board went on for two years or more, so that the procedure cannot be described as anything other than a knowing circumvention of the municipal board's authority.

Clearly, as was suggested in the lead editorial of the *Toronto Daily Star* yesterday, here is a situation that merits a judicial probe—and I draw the proposal, with emphasis, to the government's attention.

As for the remainder of the committee's report, dealing with Mr. Fishleigh and Mr. Sutton, I submit that my allegation is proven to the hilt, that these two members acted with impropriety, contravening Ontario rule No. 16, by voting for a bill which will benefit companies in which they have a pecuniary interest.

Mr. Fishleigh is president and has a financial interest in the Keystone Realities, which is listed in the public utilities commission schedule upon which the bill is based, as one of the companies which will be a recipient of moneys from the approximate \$400,000 authorized by this bill. He voted on the bill. He therefore acted with impropriety.

Mr. Sutton holds a mortgage for \$375,000 on the property, previously his farm, now sold to the Green Cedars

Development Corporation, and with the edge gone off the real estate market, he obviously has a definite interest in the financial status of this company. He sponsored and voted on the bill. He therefore acted with impropriety.

The hon. gentlemen may have offended in ignorance, but the fact is, they offended, and that is the point.

In the words of the *Toronto Telegram* editorial last Saturday:

the allegation that 3 members are interested, however indirectly, in the passage of a money bill, by the chamber, in which they have votes, is not to be ignored — this is a matter which ought not to be dropped in silence.

The rule regarding the impropriety of votes in such cases represents a time-honoured tradition which has broadened down from precedent to precedent in the history of British Parliamentary institutions.

May points out that “the personal honour of a peer will prevent him from forwarding his own pecuniary interest by his votes in Parliament”, and that in accordance with standing rule No. 98, regarding private bills, Lords are “exempted from serving on a committee on any private bill wherein they shall have an interest.”

May elaborates the rule in terms of an explanation of Mr. Speaker Abbott, on July 17, 1811:

This interest must be a direct pecuniary interest, and separately belonging to the persons whose votes were questioned, and not in common with the rest of His Majesty's subjects, on a matter of state policy.

In other words, if I might interject, there has to be a special interest such as a mortgage, or ownership in the thing rather than sharing it in common with the general through family allowance, or general legislation of that sort.

Furthermore — and I want to emphasize this point in view of the allegations of the hon. Prime Minister (Mr. Frost)

and hon. Leader of the Opposition (Mr. Oliver) last week — the questioning of the impropriety of an hon. member voting under the circumstances covered by Ontario rule No. 16 in no way imputes dishonesty, or questions the integrity of the member.

Now, let me document this contention in the words of hon. George Drew, speaking in the House of Commons on July 20, 1955 (*Hansard*, p. 6443 *et seq.*). Mr. Drew was questioning the propriety of hon. J. J. McCann being in the dual role of Minister of National Revenue and director of a company over whose revenues the department had jurisdiction. There was, as in the instances before this House, the principle of a conflict between private interests and public responsibilities.

Mr. Drew emphasized at the outset:

the whole subject has now become a simple but fundamentally important question of principle.

Mr. Drew then went on:

the rules and obligations concerning an hon. Minister of the Crown have been clearly established over long years, and that it is not only our right but our duty, when such circumstances arise, to make sure we act as custodians of the established principles of the House of Commons and the government, which is the executive of this Parliamentary body.

If I may interpolate, the rules and obligations concerning the impropriety of hon. members voting on a bill in which they have a pecuniary interest have also been clearly established down through the years, and it is the right and duty of the opposition in this House to act as custodians of those established principles.

As a matter of fact it is the right and duty of every hon. member of the House, not just the opposition.

Mr. Drew concluded:

It is not something that any of us likes to raise here when any individual

is concerned. We have no desire to deal with an individual as an individual. We are dealing with the position of the Minister of National Revenue within a Canadian government under long-established and extremely important principles. This is no borderline case. This is no twilight zone of uncertainty. There is no doubt here. Let no one suggest that no evidence has been offered that any pecuniary advantage has accrued to the hon. Minister.

We are not suggesting that. We say that rules of conduct are clear. There must not only be an absence of conflict of interest but there must be no appearance to the public that there could be any conflict.

That is an admirable statement of the principle I am enunciating. It is a basic principle of the whole legislative process — in councils, in Legislatures, in boards of directors. It is particularly important that this sovereign Legislature should uphold this high principle as a model for all other bodies exercising the legislative process within the province.

When this principle comes into question, it is not just the hon. members involved, this Legislature itself is on trial, for its basic principles are in jeopardy. We are challenged to show how well, in the words of hon. George Drew "we act as custodians of the established principles of the House."

This principle transcends party politics. It is bad enough when the government party jettisons this principle in a partisan, face-saving manoeuvre, but it would be unpardonable if opposition parties were not to take up the fight for its complete restoration.

While the federal Conservatives are enunciating this high principle in Ottawa, we have the spectacle of the provincial Conservatives ignoring the violation of this principle in a calculated and callous fashion.

Let no Tory from this House go out onto the hustings during the coming

election, and berate the federal Liberals for the shocking violations of traditional Parliamentary rights in the House of Commons, because what has happened here is an equally shocking violation of a basic principle of our Parliamentary procedure, and a monumental insensitivity on the part of the government members to the threat to our Parliamentary institutions which it represents.

This committee report represents a straight whitewash that ignores acknowledged facts of the pecuniary interest of two hon. members of this House. The committee refused to accept a motion setting forth the basic principle regarding the impropriety of hon. members voting under these circumstances. It not only refused to acknowledge the existence of this high principle; it is even willing to play politics with it.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I did not intend to say anything about this matter, but in view of the hon. member's statement may I characterize it as scandalous?

May I say that I have no intention of martyring or allowing the hon. member for York South to be placed in the position of a martyr in this matter—

MR. MACDONALD: Why is it scandalous?

HON. MR. FROST: I leave him to the judgment of all honourable men and women in this province who can make their own appraisal.

The honour and the integrity of this whole House has been impugned, not only by the statement this afternoon, but by statements which were made before. I must say that, in looking at this bill last Thursday night, I made my own appraisal. If I was wrong and if this bill was wrong then, with my eyes wide open, I was passing upon the bill, and, therefore, I would be dishonest, the hon. members of this House who voted in favour of the bill and the members of the Scarborough coun-

cil and others would likewise be dishonest men.

May I give the facts again? I think that the fullest opportunity has been given for the most complete disclosure of the facts relating to this bill. Everything has been disclosed in a measured manner which, perhaps, would go more with a judicial than with a Parliamentary body.

This bill was introduced with the usual notices to the House; it was admitted to this House and given first reading; it was referred to the private bills committee after notice to people concerned, and there a report was made, reporting the bill back to this House.

On its coming up in this House the hon. member for York South asked that the bill be stood over, which took place; as a matter of fact, it remained on the order paper for some considerable time.

When it was brought up for second reading, the hon. member for York South raised certain objections to the bill, which are in *Hansard* and which it is not necessary for me to go into.

He raised certain points on which he thought that the bill should have further consideration; whereupon, without knowing anything about the circumstances of the matter or what was involved — the hon. member for York South did not, at that time, make any charges at all — the matter was referred back to the private bills committee which had to be reconvened for that purpose. The whole matter was discussed again, and it was referred to this House.

Last Thursday night the bill came up for consideration in the ordinary course of business, and it was at that time that the hon. member made his charges. I do not know whether the 3 hon. members who were involved in these charges, or against whom charges were levelled, were in the House last Thursday night or not, but I do know this, that the hon. member for York East was not in the House, and, as a matter of fact, to show the unfairness of the hon. member's

statement this afternoon, he said that the hon. member for York East, at that late date, denied these minutes.

Mr. Speaker, I understand — and hon. members may quote me — that the hon. member for York East never saw the minutes of the meeting of the commission until the minutes were produced in the committee; and for this reason, that he was not in the House when the hon. member for York South referred to them, and *Hansard* had to be specially printed on the Monday, the day before yesterday, before they were available to the committee.

If there is anything more calculated to show prejudice and animus and, I would say, scandalous intent, it is the fact that the hon. member for York South did imply that the hon. member for York East had only explained the minutes when they became an issue in the committee. I would say that this is—

MR. MacDONALD: On a question of privilege —

HON. MR. FROST: That is what the hon. member for York South said.

MR. MacDONALD: Mr. Speaker —

HON. MEMBERS: Sit down; sit down.

MR. SPEAKER: Order. Is the hon. member for York South raising a question of privilege?

MR. MacDONALD: I just want to state that the hon. Prime Minister is misrepresenting the basic fact I drew attention to; namely, for 4 months these —

MR. SPEAKER: Order.

HON. MR. FROST: Mr. Speaker, the evidence was given before the committee, as I understand it, and it was made perfectly clear that the hon. member for York East is not the solicitor for the Scarborough commission, that he was not present when the minutes were

read, that he knew nothing about the minutes, and never saw them until they were produced in the committee.

MR. MacDONALD: And nobody else said they were accurate of all those who attended.

HON. MR. FROST: To say that the hon. member had only dealt with this matter, to use his words, at this late date, was again imputing completely wrongful motives to the hon. member for York East, and I think it is typical of what the hon. member for York South has said.

After the discussions in the House on Thursday evening, this matter was then referred on Monday on the motion of two of the hon. members who had been accused, to the committee on privileges and elections.

I ask this of all persons who sat in on that committee or listened to the committee: could there have been a committee, an investigation, which was conducted on a higher plane more fair than that committee was conducted? Was there any evidence that was rejected? Were the fullest opportunities given for cross-examination? Was the committee conducted in an atmosphere of dignity and decorum in which everybody had the opportunity to listen and form their own judgment?

I was not at the committee meetings myself, but from what I have heard, I think the chairman of the committee, the hon. member for Grenville-Dundas, is entitled to the thanks of this House for the dignity in which it was conducted. I would say that this matter was discussed with decorum and fairness, all parties interested had the fullest of opportunity to make their disclosures.

I only say this in conclusion, something I did not intend to say at all, that after the fullest of disclosure on a report made to this House by a bi-partisan committee, and not unmindful of the fact that this report is moved by the hon. chairman of the committee and seconded by the dean of this House, the hon.

member for Brant (Mr. Nixon), who has long been known to the people of Ontario as a gentleman of probity and experience, that if the hon. member for York South with his eyes open could make a statement such as he has today, he makes it on his own responsibility.

He is branded in the eyes of all fair-thinking men and women of this province as making statements and making allegations that are contrary to the clear evidence which was submitted, impugning the honour of decent hon. members of this House, and by so doing he has impugned the honour of all of the hon. members of this House and the members of the municipal government concerned.

MR. MacDONALD: The hon. Prime Minister had better have a check with hon. George Drew.

HON. MR. FROST: That is all I have to say about that.

MR. H. C. NIXON (Brant): Mr. Speaker, may I say to begin with that I very strongly resent the statement of the hon. member for York South, that again, the hon. members of the opposition have seen fit to go along with the government in this report. I say that is entirely false. We are not going along with the government at all.

This was not the present assignment that was given to the hon. members who happened to be on this particular committee of privileges and elections, and certainly I approached the task, the duties that were assigned to me as a member of that committee, with an open mind and certainly with an unprejudiced mind with regard to this matter. And having listened to every word of the evidence, I agree with every word of the report that is now before the House.

I think you will agree with me, Mr. Speaker, that although this committee has presented this report and asked that it be tabled or that it be received, it was my strong personal feeling under the

circumstances—where the integrity or certainly the propriety of the action of certain hon. members of this House was maligned, or questioned—that the proper procedure was to ask this House to adopt the report as presented by the committee on privileges and elections.

I do not, and did not, conceive that it was in any way our responsibility to pass upon the manner in which the officials of the public utilities commission or the council of Scarborough carried on their business affairs, and the reference which has been made in this regard is not applicable to this report. I cannot see that the reference made to the statements by hon. Mr. Drew at Ottawa in connection with hon. cabinet Ministers holding directorates is applicable either, and it does not apply in any way whatever to the allegations which have been made reflecting so seriously upon 3 hon. members of this House.

I do not thank the hon. member for the gratuitous lecture he has addressed to me as an hon. member for the opposition, and as an hon. member of this committee.

I think, Mr. Speaker, that I understand my duties and responsibilities as an hon. member of this House, and I did not pass upon this important matter in any way as an hon. member of the opposition, but as a member of a committee to which a very important matter was referred.

After listening to all the evidence, I have come to this conclusion: those allegations that reflected so seriously upon the 3 hon. members of the House fell down completely, and there was no evidence presented to support them, and as far as I am concerned, I exonerate these 3 hon. members completely from any allegation that was advanced that so seriously reflected upon them.

I do feel that this whole matter has been most unfortunate, indeed; that such allegations should not have been made as we have stated in the report, and I do state most emphatically, to the best of my ability and judgment, that

there was no evidence presented to support them. Thank you.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I thought perhaps the other hon. members of the committee were going to say something. In the event they are not, I might just say a word or two in connection with this matter. I agree entirely with my colleague, the hon. member for Brant.

When these charges were made in the House, I said in the House that they were, in my judgment, serious and that they reflected upon the integrity of the 3 hon. members named. When this matter went to the committee, I did not go to the committee as the hon. Leader of the Opposition. I went there as a member appointed by the Legislature to use my own judgment after hearing all the evidence.

I listened very carefully to every word of the evidence yesterday and up until 2.30 this morning, and then from 10.00 until 1.00 this afternoon, and I have not any hesitation in saying to hon. members of this House that the charges or the allegations made by the hon. member for York South were completely unproven before the committee. There is not a doubt in my mind about that.

I just want to mention two items in regard to the committee's findings and the evidence produced before it. The hon. member for York South this afternoon has made particular reference to the minutes of the public utilities commission of Scarborough township. I say to the House this afternoon, that from the hon. member's own admission, he had these minutes prior to the meeting of the committee. I say emphatically that I am only a man of ordinary intelligence, and I grant the same status to the hon. member for York South, but any man with a grain of intelligence at all, having viewed and looked upon these minutes, would have recognized in a fraction of a second that the interpretation placed on the minutes by the man who read them was certainly not the interpretation which should have been placed on them.

Upon the advice given by the hon. member for York East, no lawyer worthy of the name would ever have suggested the line of comment that was contained in those minutes.

MR. MacDONALD: The secretary of the council gave essentially the same thing.

MR. OLIVER: I know what I am talking about. The hon. member for York East has been the solicitor for York township for a long time. He is quite conversant with municipal law, and the interpretation of these minutes would suggest that he did not know anything about municipal law, and I say to the hon. members this afternoon that the hon. member for York South should have known, and I suggest did know, when he saw these minutes in the first place, that they were not a true interpretation of what the hon. member for York East said to those officials on that important occasion.

MR. MacDONALD: They were—

MR. OLIVER: The hon. member should keep quiet. He talks too much for his own good.

Bill No. 25, An Act respecting the township of Scarborough, is the kernel of this discussion, and if I were persuaded by the passing of this bill in this Legislature that these 3 men or the companies which they represent would get an extra 5-cent piece, my vote would have gone the other way.

I am persuaded of this, Mr. Speaker, that in no way, shape or form does the passing of this bill either guarantee payment to those people or does it say when or how they will be, or if they will be, paid. It simply transfers to the council of the township of Scarborough the right to issue debentures.

The right of these men representing these companies to sue in court is long established. This was not the only way they could have got their money. They could have gone to the courts and, I have not doubt, secured judgment. It

could have been paid out of the revenue of the municipality.

There are other ways of doing it besides this bill, but this bill was simply to allow the township of Scarborough to debenture for those payments rightfully owed to those particular people.

I want to say this in regard to the hon. member's lecture to me and to the Liberal party in respect to political morality. I will stack my political morality up against the hon. member's any day or night. I would say to the hon. member that maybe he should employ himself in wiping some of the mud off his own political skirts, and I will look after mine.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

Before the orders of the day, on this last day of the session, I would like to welcome the students from Green Acres school, Stoney Creek.

HON. MR. FROST: Mr. Speaker, I should like to draw to your attention and to the attention of the hon. members of the House, particularly the older hon. members of this House, that today is the 56th wedding anniversary of Major Alex Lewis, Q.C., and Mrs. Lewis. Major Lewis was the clerk of this assembly for very many years. As a matter of fact, he came into this House as a newspaper reporter, I think, about 50 years ago. I am sure, Mr. Speaker, that we all extend to this very fine couple our very best wishes and many happy returns of the day.

THE BUDGET

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, in rising to make some comment on the budget debate, I want to assure the House at the outset that they will not be comments of any great length, nor do I expect to introduce any new subjects at this period.

I want to re-echo what the hon. Prime Minister said, I think it was yesterday, that he had enjoyed this session of the Legislature. I want to say that I, too, have also enjoyed this session, perhaps more than any in the last number of years. I have enjoyed the debates which have taken place in relation to the problems of the government to implement legislation that would better conditions. I thought that the calibre of the debate this session was as high, if not higher, than that which has prevailed in the last number of years.

I wanted to say, and I make no apology for saying this, Mr. Speaker, that in my opinion—and I think, perhaps, that opinion is concurred in by some hon. members of the House at least—that the hon. members of the opposition have made valuable contributions to the debate this session. Indeed, I would say that the hon. members of this party have contributed notably to discussions in this House.

I want to make that clear and to reiterate it for this very pertinent reason:

When this session started, I determined that I was not only going to allow but going to encourage the hon. members of the opposition to take a more militant part in the debates than they had done previously.

I want to say to this House this afternoon that I am completely confident that they have discharged, admirably, that responsibility which I have placed upon them.

That has been more particularly true—and this is a personal note—during the last two or three weeks when it has been somewhat more of an effort than usual for me to take my full part in the deliberations in this assembly.

When this condition arose, the hon. members of the opposition were not only willing, but anxious, to assume added responsibility, and I just want to pay that tribute, Mr. Speaker, to the hon. members of this party this afternoon, and to say to the people of this province that in my judgment, growing

out of an experience of many years, the people of Ontario can be satisfied that in the opposition in this Legislature we have a group of men, admittedly small in number, who are determined and able to discharge the high responsibility of their office in a way which will be acceptable, I am sure, to the people of Ontario as a whole.

In the Legislature this year we have had some very important debates, and we have arrived at certain conclusions which will constitute themselves, in my judgment, as milestones in the political history of this province.

In the first instance, one is liable to recall that perhaps the most important single item on the agenda which has been dealt with this session is the question of hospital insurance. I am particularly pleased that this matter has been resolved, and that the people of this province can look forward, with a degree of confidence, that in a few months or in a few years, the people of Ontario will receive the benefits which will flow from the introduction of hospital insurance.

It is true, of course, that if one wanted to be critical, that the government attended this introduction by the fanfare which would almost lead one to believe it was their bill, and their move, and that no one else had anything at all to do with it.

Now, in the dying days of this session, I think, perhaps, we will be frank enough and fair enough to admit it is a partnership arrangement. It was an arrangement which was offered by the federal government, and into which the provincial government has now fitted itself, and prepared the way for the people of the province of Ontario to benefit.

We hon. members of the Liberal party have always been in support of hospital insurance. And I say to the government this afternoon that we are prepared, as a party, to give this measure sympathetic support. We will not attend its inauguration, so to speak, with carping criticism given only for

criticism's sake. We recognize this is a tremendous undertaking, administratively and otherwise, and we are prepared to consider—and to recognize—that there will be some difficulties, there will be obstacles in the way of bringing this into effect.

The other outstanding item in this year's proceedings would seem to me to be an avalanche of new taxation which the government has placed upon the people of the province. I doubt if ever in the history of this province has there been such a multitude of taxation levies placed on the people of Ontario.

I am somewhat of the same mind as I was earlier in the session, that the reason the government put these matters before us this year, and imposed taxation on such a broad scale, was simply to say to the people of Ontario, in effect, "we have to have money and we have to have it now."

I do not consider for one moment that the government needs all the money which they have obligated the people to pay—needs it at the present time — and that is one of the basic reasons why we opposed some of these measures when they come up for decision in the Legislature.

I would suggest to the House that the government has tried through the medium of its propaganda machine—and in a measure they have succeeded—to convince the people that the reason for all these taxes was because the federal government had been using them so badly. They have raised up an umbrella, and under that umbrella they seek to impose new taxation and blame its imposition on the failure—as they see it—of the federal government to meet adequately their obligations to the people of this province.

In respect to the taxation agreement, I think all hon. members know that 8 provinces of Canada—I believe it is—have signed this agreement with the federal government. They signed it not only for income taxation, but signed it for all the 3 items which were offered to the provinces.

On that basis, one would be inclined to conclude the agreements, in themselves, could not have been too bad, or else 8 provinces out of the 10 would not have expressed a willingness to go along with the federal government in bringing taxation agreements into operation in their own particular provinces.

In Ontario, what we have done is to set up our own machinery of collection of corporation income taxes. It was the government's decision to set that up, and that is the only new tax which the government has imposed which was related to the taxation agreement as between the federal and provincial governments. In other words, all that the province is getting more than it would have received under the agreement, if it had signed it, is the imposition of the corporate income tax — an increase in that impost.

What I am suggesting to the House is this: that the government has excused itself for introducing this wide range of other taxes on the failure, as it says, of the federal government to "come across." Such is not the case, and in its candid moments, even the government would be prepared to admit that. This whole attitude towards Ottawa is propaganda—however, I do not intend to go into that field this afternoon, because I want to leave it clear for the hon. Prime Minister (Mr. Frost), and I have no doubt he will take full advantage of the opportunity.

I think it was Hitler who, in that book he wrote many years ago, said this:

If you do a thing often enough, if you say a thing often enough, somebody is going to believe it, or most of the people are going to believe it.

That is the principle which the hon. members of this government have been working on.

That is what the government is working on. They think if they say, "Ottawa is unfair", "Ottawa is unfair", and keep on repeating that, that it does not matter whether there is substance

in the declaration or not; that the mere repetition of it, in their opinion, will gain them some support for the position they seek to occupy.

I do not know whether the people will be fooled. I doubt if they will, because we are quite intelligent in this province, and we see through the sort of camouflage that the hon. Prime Minister and his cohorts have built up around themselves in respect to our relationship with Ottawa. Anyhow, there will be an event—probably in June—which will clear the air for a few years, at least.

We go through this experience in this House just prior to a federal election every 3 or 4 years. The year before the election is always steeped in the greatest and almost overwhelming criticism of Ottawa. Everything that Ottawa does is bad; nothing that they do is good; and all our faults are laid on the doorstep of Ottawa.

If we want to do something for agriculture, the hon. Prime Minister says: "We cannot do anything—Ottawa can do it." Anything good, of course, we take to ourselves; anything bad we put down to Ottawa.

The people, of course, will grow up, or have grown up, to the point where they appreciate what is sought to be accomplished by this programme, and I do not think they are going to be influenced very much by this propaganda machine; in any event, the air will clear at the election this year and we will get down, probably, to looking after the business of Ontario and accepting our proper responsibility for the management of the affairs of this province.

There are only two or three items I want to discuss, and rather briefly at that. One has to do with committees of the House.

The hon. Prime Minister said yesterday, when it was suggested that certain committees be set up—he patted himself on the back, and said: "I am the man for committees in this Legislature. I have set up more committees than any other premier."

I do not have the statistics at hand, but I would say to the hon. Prime Minister that, early in his regime, his love for committees was manifest; it was there for all to see. He did appoint a number of committees which, in my opinion, did a good job for the people of this province.

But as I interjected yesterday, when the hon. Prime Minister was speaking, there is a definite indication that he is backing away from the position he once held. There is not the freedom, there is not the same desire, on the part of the hon. Prime Minister to appoint committees as there used to be. In other words, he is moving away from that position to occupy another one, and it is on this other position that I want to speak for a few moments.

There has grown up in this Legislature, in relation to the various departments, what is known as advisory committees to the hon. Ministers of departments. I do not know how good those committees are, but I suggest that this matter should be examined in the light of the good of committees generally and particularly in this province.

If we have an advisory committee for each department of government, then, if we want to set up a committee, it is argued by those in authority that we already have an advisory committee, therefore a select committee to examine into conditions in that particular department is neither wise nor necessary.

I say to the hon. Prime Minister that, having in mind Parliamentary procedure and the good that can rise up under that procedure, we have already gone too far along the path of advisory committees, and we should return our thinking and our action to the appointment of select committees which can constantly review the activities of the government departments; and that on all these committees will be hon. members not only from the government side of the House but from the opposition side as well.

An advisory committee to a department of government is a "closed-shop"

sort of committee. We do not know what it does. The public are not aware of its deliberations, or the result of its deliberations.

We do not know whether such committees are worth the money we are paying them. We do not know anything about them. There is no report of their activities to the Legislature as such.

I suggest to the House in all seriousness that we cannot countenance that as an important segment of government in this province, and we ought to slow down in the setting up of departmental committees, and we ought to speed up our desire to set up real select committees of this House, which would be representative of the various parties, which would hear evidence by all who care to give evidence, and which would report to this Legislature where such evidence could be acted upon by all hon. members in the House.

I have no doubt in my own mind that this sort of committee is much to be preferred to the kind which have grown up like mushrooms in the departments of government in this province.

I want to make one other comment, and it is in respect to commissions. It has been suggested by some, who should know better, that I am opposed to the setting up of commissions. My concern about commissions is that I do not like to see them set up as a part of government in this province, and to have their activities removed from the scope of this Legislature and from the scrutiny of the hon. members of this Legislature.

It seems to me that we are going just a little too far, either in the appointment of the commissions themselves, or in severing their actual connection with the Legislature as such.

I want to give fair warning to the government that, in the interval between this session and the next, I intend to give particular study to this aspect of government, and I hope we can arrive at a solution along these lines:

I hope we can agree that where commissions are necessary to carry out a

certain function of government, the tie between the Legislature and the commission will not be severed. I hope we can arrive at the place where these commissions will have a responsibility to a certain department of government, and that the estimates for the carrying on of their work in this province will be reviewed by the hon. members of the Legislature, so that not only should we have a working knowledge of the commission itself, but we will be in a position to scrutinize the estimates of expenditure for that particular commission.

I suggest that we have moved too far away in the direction of setting up islands and cutting the connection between those islands and the Legislature itself.

I ask the government, and, particularly, the hon. Prime Minister, to recognize what I think is a serious situation, and let us work together to see if we can evolve a system that will be more truly democratic and that will be more responsive to the Legislature and to the hon. members of the Legislature.

The only other point I want to discuss happens to be connected with municipalities. The Legislature this session provided unconditional grants that were supposed to take care of the administration of justice and certain welfare costs. Of course, the provision of these grants will help the municipalities. It will go into the consolidated revenue fund of the municipality, so to speak. They can use it for what service they like; but it is really earmarked, as the government suggests, for the costs of the administration of justice and the cost of welfare services.

The basic opposition that I have to this particular type of grant is this: that the municipalities of the province cannot depend upon its continuance. When the government says, "This grant is to take care of the cost of the administration of justice", the right thing for the government to do, in my judgment, is to pay for the cost of administration of justice and to pay for the welfare cost that the other portion of our uncon-

ditional grants is supposed to take care of.

In other words, if the province is anxious — as they have suggested they are — to pay the cost of these two branches of our municipal government, then I say to the House that it is the government's responsibility not to give grants-in-aid, but it is, rather, their responsibility to assume the field as such and to take over the field from municipal government.

What purpose is there, or what purpose can be served, by continuing this arrangement?

The government says they are providing enough money to take care of the cost of the administration of justice. If it is to be their policy that continuing amounts of money will be paid so that these costs will be absorbed on the municipal level, then I suggest there is no sound or valid reason why the government should not say to the municipalities: "We will pay the costs of administration of justice and take those costs as a provincial responsibility."

One of the things, Mr. Speaker, that will help the municipalities materially and permanently is the recognition on the part of this government that certain fields of operation, for which the municipalities presently pay, do not properly belong to the municipalities and should be taken over by the province and paid for by the province.

It does seem to me that we are only fooling with the problem if we think we can make good headway by making unconditional grants in this regard. The government should pay the costs of these services and take them over as an entire provincial responsibility.

I have not any intention of speaking longer this afternoon. It may be interesting that I have not had even 3 minutes to prepare anything to say, but I appreciate, nevertheless, the opportunity of making these remarks, and hope as we move from this House to our homes in the various parts of the province, that we will go away from the assembly this year assured in our

own minds that we have done a reasonably good job for the people of Ontario, and that, after all, is our chief and abiding concern.

HON. L. M. FROST (Prime Minister): Mr. Speaker, at this time it is not my intention to do more than make a very brief reference to this practice of the Legislature and what we have accomplished here.

I am sure the hon. members of this House, after what I think has been the longest session for many years—and I would say particularly those hon. members from whom I have the honour to receive support—will be possibly tired of hearing from me, and I would not want at this time to inflict upon the hon. members of this House any long speech.

I should, however, like to say that, as the hon. Leader of the Opposition has said, this has been a very outstanding session of the Parliament of Ontario. I, of course, at this time frankly appeal to the hon. members of this House for their support on this critical occasion, because if the hon. members of the House determine to vote contrariwise, then, of course, this government, which I think is a good one, would have to go out of office. I am hopeful perhaps of even persuading some of the hon. members of the opposition to vote with us on this occasion.

This House, in about its 10 weeks of session, has dealt with, I think, approximately 175 bills. In these 175 bills is, as was embodied in the speech of The Honourable the Lieutenant-Governor at the opening of this session, a great programme which indicates great progress on the part of our province and our people, and touches every facet of the life of the residents, the people of our province.

Mr. Speaker, there has been passed at this session some of these items, although there are many others I could refer to: farm legislation of a most advanced type; extensive welfare benefits; unprecedented plans now and for the

future for highways and for public works; the strengthening of our province's fiscal position because of our disappointing experience at Ottawa.

I may say to the hon. Leader of the Opposition I have no intention of further elaborating on that point today. But I might, in order to emphasize those few words, merely repeat them and say, strengthening our province's fiscal position because of our disappointing experience at Ottawa.

Then we have introduced a great 3-year plan for education, and I say to the hon. members of this House that this plan in its final results, I am sure, will carry with it the approval of the people of this province in this time in which we are beset with the great difficulties coming from the growth of our province.

We, Mr. Speaker, and I use these words advisedly, at this session of the Legislature have produced a sweeping revision of our system on real estate taxation to relieve the home and the farm owners of our province.

Lastly, in this little list that I have here, is the great social reform of hospital insurance. That is a great programme by any standard, and I am sure it will be so assessed by the people.

I should like to make a very brief reference to the budget itself. May I re-echo the words of the hon. Leader of the Opposition and his reference to the work of the hon. members in his group. I should like to make special reference to the financial critic, the hon. member for Waterloo North (Mr. Wintermeyer), who, I think, has worked hard and has tried to bring, if sometimes even mistakenly, to the problems of this province an objective consideration, and for that I should like to pay tribute to him.

I may say when he came into this House in 1955 he was recognized as an hon. member of ability. Myself, coming from eastern Ontario, I thought of this man coming from the west, of the lines of Sir Walter Scott: "Oh, young Lochinvar has come out of the

west." Then, afterwards, I thought of the reference in that song of that Scottish bard when he said, "there was never a knight like the young Lochinvar."

I would say that is the manner of the approach of this cavalier from the west when he came to this House with his armour bright and his banners high, and full of the courage that would come from that great old county of Waterloo, where there one has the examples of courage and determination that have made this province.

I was very much interested in his first reference in the House. May I say to him that I read his speeches as he reads mine. I only express the hope that his speeches in this House will stand up as well in his light of time and experience as the speech I made in 1944 to which he referred last year.

However, I was impressed with this reference in his speech of last year, delivered on March 6, 1956, when he referred to the predominant part that manufacturing is playing in this province of Ontario, and pointing out at that time that of our production 69 per cent. came from manufacturing.

He said, in referring to the figures, "Nobody will quarrel with those figures at all. The only reason I am giving them is to demonstrate lest there be any doubt of the dominant significance of the manufacturing industry in our economic life at the present time."

Those were the statements of young Lochinvar when coming here with his ideas of reform and his ideas that were fresh, as I say, from the soil of Waterloo county. He said, "It becomes obvious to me that we can no longer look to personal income as such to help us increase our revenue, as we may be required to do. We must look to other sources, and I suggest to you the source to which we have to look is this dominant manufacturing source to which I have made reference."

He then went on to say that with the development of manufacturing, which has been fostered and protected in this

province, there should come from it the revenues on which to operate this great province of ours in a substantial part, "we can expect some revenue from industry which we have assisted."

I look at this young Lochinvar today, after a year in this Legislature, and it would seem to me that his charger has grown weary, and that he himself is disappointed, and that he lacks confidence in the future of this province, which certainly is not borne out by his experience and his background in the county from which he came. I say this because he, during this session, in the face of great necessity on the part of the province, voted against the revenues that could come from that great dominant part of our life from which is coming some 69 per cent. of our production.

I was quite interested to note his address on February 26th, just one year later, when he said:

In continuing my technical objections of the 2 per cent. corporation tax, remember that while we in Ontario are in a favoured economic geographical position, the fact is, we will not always be so. The advantages which we now have in industry, particularly in the manufacturing industry, may change rapidly as the west develops, and I suggest that many concerns will consider moving west, or locating out west, in preference to locating in Ontario.

This, I would say, came from this young Lochinvar who came here a year ago and pointed out the dominant part which manufacturing is playing in this province, and what share it should bear, and the fact it could bear some of the problems we have in this land.

To show hon. members how, in the short course of a year—I do not know whether it is the atmosphere in which he lives or what may be the cause—but he talked about geese that laid golden eggs and he said:

I suggest that before we kill this goose we stop asking industry to carry more and more of the load of our provincial expenditures.

I quote this to hon. members at this time only to show the change in the point of view—all within 365 days. I point out to the hon. member that sometimes these inconsistencies baffle me; they leave me standing rather aghast.

I also say to the hon. member that sometimes these inconsistencies disappoint me, because I look forward to the day when we may, perhaps, get support from hon. members opposite in some of the great reforms we are introducing here.

When the hon. member introduced his budget speech this year—and it was a very good speech although I would say its premises were wrong; I think he should read the words of the hon. Provincial Treasurer—he prefaced it with the rather doleful and rather funeral quotation: "I come to bury Caesar, not to praise him."

I say to the hon. member that perhaps that is doleful, perhaps it is funeral, but, nevertheless, I have hopes for him because of the statement that he makes. Those of us who are familiar with that great passage from Shakespeare will remember that Mark Anthony started out with the statement and he said: "I come to bury Caesar, not to praise him."

In that great passage from Shakespeare, I would not want to affect it by my own words but I would say, with all respect to Shakespeare, within the 4 corners of that speech Mark Anthony, at the end of his speech, came to praise Caesar; he came to praise Caesar and to vindicate him.

I would say to the hon. member that in his efforts in this House — and looking at the problems of government and what we have accomplished here — perhaps he may change his point of view so that we can look forward to his support in the great progressive works of this government.

Mr. Speaker, I am, frankly, appealing for the support of this House and, frankly, appealing for such support as I can get from hon. members of the opposition for the works of this government.

MR. OLIVER: Does the hon. Prime Minister feel he needs it?

HON. MR. FROST: Yes, we always need help and support from any source we can get it. I would say to hon. members of this House, and particularly to the hon. member for Waterloo North, I was interested in one of his speeches when he made the eloquent appeal to the hon. members of the opposition to gird themselves and to go out and fight for the rights of the people in this province.

May I just say in a brief conclusion, I would like to give him some of that inspiration from the work we have done in this House. I have no doubt the Honourable the Lieutenant-Governor will be making reference in his speech to the work of this government, which, in the right of Ontario is his government as representing the Queen, and so may I say to the hon. members of the opposition and to other hon. members of this House that we have a record of outstanding achievements in these years.

Not only is the work of the House this year outstanding, but just let me, again, tell hon. members about some of these other things in a few words. We have co-operated with other governments. I would not want hon. members of the opposition to think I am always critical because that is not the case. As a matter of fact, I acknowledge and say it is our accepted and calculated policy to co-operate in every way with the government and the people of Canada to bring about better conditions for our people.

I might point out such outstanding things as the trans-Canada highway. That is something which was talked about for generations and is only now being rushed forward to completion.

MR. OLIVER: By Ontario?

HON. MR. FROST: I say we are doing that in co-operation with the federal government.

We are also doing a few things ourselves. I would ask hon. members of

the opposition to look about them at the great work of this government; at the creation of metropolitan Toronto, in itself one of the great marks of progress in this province, involving a system of municipal government to take care of the needs of about a quarter of the population of Ontario.

There is the matter of enforcing our power requirements which are the life blood of this province.

I would remind the House, also, what we have done in making and bringing to our province the benefit of western gas and oil.

Mr. Speaker, in only a matter of as many years as there are fingers on my hand, we will be developing in our province an industry which is going to call for the investment of hundreds of millions of dollars — a billion dollar industry, which, I would say, is spearheaded by this government, and for whose support I appeal to hon. members. May I say that is true of nuclear power atomic energy.

Today, in co-operation with the federal government, we are bringing into being the forces of science, which will mean that Ontario will not be short of power in 1960, 1965 and 1970.

I would say to the hon. members of this House that those achievements alone, in light of other days, are adjustments of outstanding merit.

May I say that today the St. Lawrence seaway, talked of for generations, is approaching its stages of completion. I believe today the great Long Sault rapids, long a historic landmark on the river, are being obliterated. This has involved co-operation between levels of government—provincial, federal, power authorities in Ontario and in New York state—and is, in itself, a great landmark of government.

I have referred to the sweeping reforms which we have introduced in relation to the system of real estate taxation. I think hon. members will agree with this, that a plan which was initiated this year, which makes a

difference between the taxes of home and farm owners and those of business and industry—about which the hon. member for Waterloo North talked in his speech of 1956—differences of 5, 6 and sometimes 10 and more mills, is a sweeping innovation in the matter of real estate taxation.

That, I would say, introduces a new conception into the matter of municipal financing—in itself a great landmark; in itself a great reason to support the progressive policies of this government; and that, I say again, after a period of years which is longer than the lifetime of some of the hon. members of this House.

Finally, today, on April 3, 1957, I expect that the Queen's representative will give his assent to a bill making possible hospital insurance in the province of Ontario.

These things I mention in passing. There are so many others I could mention; but I say to the hon. members of this House that here, with the government, with its supporters, who are gathered around here in this great forum making the government of the people of Ontario, we feel we have been giving to Ontario the dynamic leadership which is required in this great day and age in which we live.

In conclusion, Mr. Speaker, may I say this, that having referred to these outstanding achievements—and there are others to which I could refer—I want to say this above all things—above these great material works which I have mentioned—that we have never forgotten the people whose servants we are. I say we have been prepared to work, and, indeed, to fight for the interest of our people.

I want the hon. members of this House to know that the differences with other governments are not predicated on the fact that we want to have differences, but we are fighting for the interests, and for the solution of the problems of the little people of this province—the home owner, the worker, the farmer and the others who go to make up the great volume of our people.

Indeed, we represent ourselves—and we believe that we truthfully represent ourselves—as the people's government; as a government which is dedicated to the strengthening of the good old province of Ontario; and, as such, being in the position to carry the load and to help to further the success and the progress of our great country, Canada.

On these grounds, and at this time, after 10 weeks of gathering in this assembly, I say in a spirit lacking controversy, but based upon the incontrovertible facts of the situation, that I appeal to the support of all hon. members of this government as an encouragement to us to go ahead in what we feel is a great work for the people of our province.

MR. SPEAKER: The amendment is as follows:

That the motion "that Mr. Speaker do now leave the chair and the House resolve itself into committee of supply" be amended by adding thereto the following words:

"But this House regrets that the government has imposed huge additional taxes which, along with the natural yearly increase in provincial revenue, are entirely out of proportion to the added grants and services that it has given the people of Ontario."

The motion is on the amendment.

Call in the members.

The House divided.

The amendment was negatived on the following division:

YEAS:	NAYS:
Gordon	Allan
Innes	(Haldimand-
Nixon	Norfolk)
Oliver	Allan
Reaume	(Middlesex South)
Spence	Auld
Whicher	Beckett
Wintermeyer	Belisle
Worton	Boyer
Wren	Cass
— 10	Cathcart

NAYS: (*Continued*)

Cecile
 Chaput
 Child
 Collings
 Connell
 Cowling
 Daley
 Davies
 Doucett
 Dunbar
 Dunlop
 Dymond
 Edwards
 Elliott
 Fishleigh
 Foote
 Frost
 (Victoria)
 Fullerton
 Gisborn
 Goodfellow
 Graham
 Griesinger
 Grossman
 Hall
 Hanna
 Herbert
 Hunt
 Jackson
 Janes
 Johnston
 (Parry Sound)
 Johnston
 (Simcoe Centre)
 Johnston
 (Carleton)
 Jolley
 Kelly
 Kennedy
 Kerr
 Lavergne
 Letherby
 Lewis
 Lyons
 Macaulay
 MacDonald
 Mackenzie
 Maloney
 Mapledoram
 Monaghan
 Morin
 Morningstar
 Morrow
 Murdoch

NAYS: (*Continued*)

Myers
 Nickle
 Noden
 Parry
 Phillips
 Porter
 Price
 Pryde
 Rankin
 Robarts
 Roberts
 Root
 Rowntree
 Sandercock
 Scott
 Spooner
 Stewart
 Sutton
 Thomas
 (Elgin)
 Thomas
 (Oshawa)
 Villeneuve
 Wardrope
 Warrender
 Whitney
 Yaremko

— 83

MR. SPEAKER: I declare the amendment lost.

The vote will be on the main motion. Shall we take a reverse vote?

MR. MacDONALD: I do not want to enforce an actual vote count, if it can be avoided, but on the main motion, I am afraid, to keep it impartial, we will have to vote with the opposition.

MR. SPEAKER: I declare the main motion carried.

The House, according to order, resolved itself into committee of supply; Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT
 OF PUBLIC WORKS
 (*continued*)

Votes 1,812 and 1,813 agreed to.

Hon. Mr. Frost moves the committee rise and report certain resolutions.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report certain resolutions.

Report agreed to.

Mr. Janes, from the committee of supply, reported the following resolutions, which were concurred in by the House:—

Resolved, That supply in the following supplementary amounts and to defray the expenses of the government departments named, be granted to Her Majesty for the fiscal year ending March 31st, 1957:

DEPARTMENT OF EDUCATION:

Special Grants\$ 2,400,000.00

DEPARTMENT OF HEALTH:

Special Grants 8,800,000.00

DEPARTMENT OF HIGHWAYS:

Maintenance — King's Highways and Other Roads 37,500,000.00

DEPARTMENT OF PLANNING AND DEVELOPMENT:

Trade and Industry Branch 180,000.00

TREASURY DEPARTMENT:

Main Office 1,000,000.00

— and —

Resolved, That supply in the following amounts and to defray the expenses of the government departments named, be granted to Her Majesty for the fiscal year ending March 31st, 1958:

DEPARTMENT OF AGRICULTURE:

Main Office	\$ 348,000.00
Agricultural and Horticultural Societies Branch	984,000.00
Co-operation and Markets Branch	101,000.00
Dairy Branch	463,000.00
Extension Branch	1,934,000.00
Farm Economics Branch	181,000.00
Farm Labour Service Branch	30,000.00
Field Crops Branch	193,000.00
Fruit Branch	395,000.00
Live Stock Branch	1,205,000.00
Statistics and Publications Branch	94,000.00
Demonstration Farm, New Liskeard	32,000.00
Horticultural Experiment Station, Vineland	301,000.00
Kemptville Agricultural School	357,000.00
Ontario Agricultural College, Guelph	3,971,000.00
Macdonald Institute, Guelph	231,000.00
Ontario Veterinary College, Guelph	1,097,000.00
Strathclair Farm, Sault Ste. Marie	23,000.00

Western Ontario Agricultural School and Experimental Farm, Ridgetown	\$ 230,000.00
Ontario Junior Farmer Loan Branch	150,000.00
The Ontario Telephone Authority	115,000.00
Main Office	950,000.00

DEPARTMENT OF ATTORNEY-GENERAL:

Main Office	308,000.00
Legislative Counsel and Registrar of Regulations	67,000.00
Traffic Safety Programme	122,000.00
Supreme Court of Ontario	295,000.00
Supreme Court Reporters	141,000.00
Master of Titles	175,000.00
Criminal Justice Accounts	2,707,000.00
Public Trustee	579,000.00
Official Guardian	246,000.00
Accountant — Supreme Court of Ontario	40,000.00
Fire Marshal	440,000.00
Inspector of Legal Offices	1,821,000.00
Ontario Provincial Police	9,857,000.00
Ontario Securities Commission	220,000.00

DEPARTMENT OF ECONOMICS:

Main Office	257,000.00
-------------------	------------

DEPARTMENT OF EDUCATION:

Main Office and General Departmental Expenses	442,000.00
Elementary Education Branch	2,375,000.00
Secondary Education Branch	2,851,000.00
Teacher Education Branch	1,923,000.00
Special Educational Services Branch	1,239,600.00
Registrar's Branch	893,500.00
Curriculum and Text-Books Branch	49,500.00
Other Educational Services	580,100.00
Dominion-Provincial Agreements	30,000.00
Scholarships, Bursaries, etc	515,000.00
Legislative Grants, etc	101,395,000.00
Miscellaneous Grants	243,300.00
Grants to Provincial and Other Universities, etc	17,482,000.00
Teachers' Superannuation, etc	4,000.00

DEPARTMENT OF HEALTH:

Main Office	3,031,400.00
Health Units Branch	828,200.00
Public Health Nursing Branch	62,000.00
Maternal and Child Health Branch	430,000.00
Dental Service Branch	65,500.00
Nursing Branch	190,200.00
Epidemiological Branch	660,000.00
Venereal Diseases Control Branch	47,000.00
Tuberculosis Prevention Branch	6,684,500.00
Industrial Hygiene Branch	411,000.00
Environmental Sanitation Branch	133,000.00
Laboratory Branch	1,686,500.00
Mental Health Branch	30,417,700.00
Hospital Services Commission of Ontario	16,060,000.00

DEPARTMENT OF HIGHWAYS:

Main Office	\$ 3,306,000.00
Maintenance — King's Highways and Other Roads	67,844,000.00
Highway Reserve Account	20,000,000.00
Motor Vehicles Branch	2,474,000.00
Construction and other Capital Projects	100,969,000.00

DEPARTMENT OF INSURANCE:

Main Office	311,000.00
-------------------	------------

DEPARTMENT OF LABOUR:

Main Office	521,000.00
Industry and Labour Board	261,000.00
Apprenticeship Branch	496,000.00
Boiler Inspection Branch	248,000.00
Factory Inspection Branch	65,000.00
Board of Examiners of Operating Engineers	72,000.00
Minimum Wage Branch	17,000.00
Composite Inspection Branch	369,000.00
Labour Relations Board	166,000.00
Office of Athletics Commissioner	29,000.00
Elevator Inspection Branch	99,000.00
Industry and Labour Board	10,500,000.00

DEPARTMENT OF LANDS AND FORESTS:

Main Office	1,816,900.00
Field Services:	
Surveys Branch	308,000.00
Basic Organization — District Offices	15,337,000.00
Extra Fire Fighting	800,000.00
Public Information and Education re (1) Fire Prevention, (2) Fish and Wildlife, (3) Reforestation, and (4) Timber Management	204,500.00
Air Service Branch	1,115,000.00
Grants	24,600.00
Wolf and Bear Bounty	72,000.00
Timber Management Branch	300,000.00

OFFICE OF LIEUTENANT-GOVERNOR:

Office of Lieutenant-Governor	20,000.00
-------------------------------------	-----------

DEPARTMENT OF MINES:

Main Office	480,000.00
Geological Branch	307,000.00
Mines Inspection Branch	206,000.00
Laboratories Branch	224,000.00
Sulphur Fumes Arbitrator	20,000.00
Mining Lands Branch	314,000.00
Main Office	1,000,000.00

DEPARTMENT OF MUNICIPAL AFFAIRS:

Main Office	3,563,000.00
Ontario Municipal Board	254,000.00
Ontario Highway Transport Board	97,000.00

DEPARTMENT OF PLANNING AND DEVELOPMENT:

Main Office	\$ 255,000.00
Civil Defence Branch	393,000.00
Community Planning Branch	335,000.00
Conservation Branch	554,000.00
Ontario House	220,000.00
Trade and Industry Branch	1,323,000.00
Community Planning Branch	500,000.00
Conservation Branch	4,175,000.00
Ontario — St. Lawrence Development Commission	3,000,000.00

DEPARTMENT OF PRIME MINISTER:

Main Office	61,100.00
Cabinet Office	56,900.00

OFFICE OF PROVINCIAL AUDITOR:

Office of Provincial Auditor	374,000.00
------------------------------------	------------

DEPARTMENT OF PROVINCIAL SECRETARY:

Main Office	502,100.00
Office of The Speaker	41,200.00
Clerk of The Legislative Assembly and Chief Election Officer ..	78,000.00
Queen's Printer	167,500.00
Registrar-General's Branch	615,000.00
Sessional Requirements	184,200.00
Miscellaneous Requirements	20,000.00
Civil Service Commission	176,000.00
Public Service Superannuation Fund	60,000.00

DEPARTMENT OF PUBLIC WELFARE:

Main Office	2,557,000.00
Child Welfare Branch	3,685,000.00
Day Nurseries Branch	253,000.00
Mothers' Allowances Branch	9,000,000.00
Old Age Assistance Branch	7,033,000.00
Field Services Branch	784,000.00
Homes for the Aged Branch	4,282,000.00
Disabled Persons' Allowances Branch	2,394,000.00
Old Age Assistance Branch	5,849,000.00
Disabled Persons' Allowances Branch	2,156,000.00

DEPARTMENT OF PUBLIC WORKS:

Main Office	1,045,500.00
General Superintendence	250,000.00
Lieutenant-Governor's Apartment	8,500.00
Legislative Departmental Buildings	3,197,000.00
Osgoode Hall and Ontario Government Office Building	430,000.00
Government Buildings	1,450,000.00
Ontario Government Branch Office Buildings	725,000.00
Maintenance of Locks, Bridges, Dams and Docks, etc	120,000.00
Aid to Drainage	550,000.00
Miscellaneous	2,485,000.00
Public Buildings	45,000,000.00
Dams, Docks and Drainage Works	670,000.00
Miscellaneous	15,220,000.00

DEPARTMENT OF REFORM INSTITUTIONS:

Main Office	\$ 996,000.00
Board of Parole	88,000.00
Institutions (Ontario Reformatories, Industrial Farms and Training Schools)	10,947,000.00

DEPARTMENT OF TRAVEL AND PUBLICITY:

Main Office	107,500.00
Division of Publicity	593,500.00
Development Branch	211,000.00
Information Branch	196,000.00
Photography Branch	67,000.00

TREASURY DEPARTMENT:

Main Office and Public Debt	502,500.00
Comptroller of Revenue	1,675,000.00
Ontario Racing Commission	210,000.00
Post Office	397,500.00
Tabulating Branch	97,000.00
Theatres Branch	112,500.00
The Ontario Fuel Board	235,000.00
Main Office	4,000,000.00

Resolution concurred in,

Hon. Dana Porter moves that Mr. Speaker do now leave the chair and the House resolve itself into committee of ways and means.

Motion agreed to.

House in committee of ways and means; Mr. C. E. Janes in the chair.

Resolved that there be granted out of the consolidated revenue fund of this province a sum not exceeding \$648,150,500 to meet the supply to that extent granted to Her Majesty.

Resolution agreed to.

Hon. Mr. Porter moves the committee rise and report a certain resolution.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of ways and means begs to report it has come to a certain resolution.

Report agreed to.

ACT GRANTING CERTAIN SUMS OF MONEY

Hon. Mr. Porter moves first reading of bill intituled, "An Act granting to Her Majesty certain sums of money for the public service for the fiscal years ending the 31st day of March, 1957, and the 31st day of March, 1958.

Motion agreed to; first reading of the bill.

Hon. W. J. Dunlop moves second reading of Bill No. 178.

Motion agreed to; second reading of the bill.

Hon. Mr. Porter moves third reading of Bill No. 178.

Motion agreed to; third reading of the bill.

MR. SPEAKER: Resolved that the bill do now pass and be intituled as in the motion.

The Honourable the Lieutenant-Governor entered the chamber of the

legislative assembly, and took his seat upon the Throne.

MR. SPEAKER: May it please Your Honour, the legislative assembly of the province has at its present sittings thereof passed several bills to which, in the name and on behalf of the said legislative assembly, I respectfully request Your Honour's assent.

THE CLERK ASSISTANT: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill No. 1, An Act respecting the city of Ottawa.

Bill No. 2, An Act respecting James Russell.

Bill No. 3, An Act respecting national organization of the New Apostolic Church of North America.

Bill No. 4, An Act respecting the Erin Fifth Line Union Church in the township of Erin.

Bill No. 5, An Act respecting the county of York.

Bill No. 6, An Act respecting the city of Chatham.

Bill No. 7, An Act respecting The United Church of Canada.

Bill No. 8, An Act respecting the village of Forest Hill.

Bill No. 9, An Act respecting the township of Crowland.

Bill No. 10, An Act to incorporate the Ontario Professional Foresters Association.

Bill No. 11, An Act respecting the Royal Trust Company.

Bill No. 12, An Act respecting the township of Brantford.

Bill No. 13, An Act respecting the town of Barrie.

Bill No. 14, An Act respecting Carleton College.

Bill No. 15, An Act respecting Community Chest of Greater Toronto.

Bill No. 16, An Act respecting the Hamilton Health Association.

Bill No. 17, An Act respecting McMaster University.

Bill No. 18, An Act to incorporate McMaster Divinity College.

Bill No. 19, An Act respecting the board of education for the city of Windsor.

Bill No. 20, An Act respecting O'Keefe Centre.

Bill No. 21, An Act respecting the city of Toronto.

Bill No. 22, An Act respecting the town of Pembroke.

Bill No. 23, An Act respecting the city of London.

Bill No. 24, An Act respecting the city of Peterborough.

Bill No. 25, An Act respecting the township of Scarborough.

Bill No. 26, An Act respecting the township of Etobicoke.

Bill No. 27, An Act respecting the city of Hamilton.

Bill No. 28, An Act respecting the township of Howe Island.

Bill No. 29, An Act respecting the city of St. Thomas.

Bill No. 30, An Act respecting the Canadian National Exhibition Association.

Bill No. 31, An Act respecting the city of Windsor.

Bill No. 32, An Act respecting the municipality of Neebing.

Bill No. 33, An Act respecting the township of Grantham.

Bill No. 34, An Act respecting the township of North York.

Bill No. 35, An Act respecting Sacred Heart College of Sudbury.

Bill No. 36, An Act respecting the city of Sault Ste. Marie.

Bill No. 38, An Act respecting the town of Fort Frances.

Bill No. 41, An Act respecting Gordon William Innes, M.P.P.

Bill No. 42, An Act to provide for the certification of plans of subdivision in order to establish title in lands.

Bill No. 43, An Act to amend The Registry Act.

Bill No. 44, An Act to amend The Investigation of Titles Act.

Bill No. 45, An Act to amend The Religious Institutions Act.

Bill No. 46, An Act to amend The Public Works Act.

Bill No. 47, An Act to amend The Public Schools Act.

Bill No. 48, An Act to amend The Schools Administration Act, 1954.

Bill No. 49, An Act to amend The Secondary Schools and Boards of Education Act, 1954.

Bill No. 50, An Act to amend The Department of Education Act, 1954.

Bill No. 51, An Act to protect the interest of the Crown in lands pledged for purposes of bail.

Bill No. 52, An Act to amend The Change of Name Act.

Bill No. 53, An Act to amend The Credit Unions Act, 1953.

Bill No. 54, An Act to amend The Deserted Wives' and Children's Maintenance Act.

Bill No. 55, An Act to amend The General Sessions Act.

Bill No. 56, An Act to amend The Judges' Orders Enforcement Act.

Bill No. 57, An Act to amend The Loan and Trust Corporations Act.

Bill No. 58, An Act to amend The Probation Act.

Bill No. 59, An Act to amend The Real Estate and Business Brokers Act.

Bill No. 60, An Act to amend The Survivorship Act.

Bill No. 61, An Act to amend The Unclaimed Articles Act.

Bill No. 62, An Act to amend The Public Health Act.

Bill No. 63, An Act to amend The Public Libraries Act.

Bill No. 64, An Act to amend The Public Service Act.

Bill No. 67, An Act respecting The Department of Highways.

Bill No. 68, An Act to amend The Sandwich, Windsor and Amherstburg Railway Act, 1939.

Bill No. 69, The Highway Improvement Act, 1957.

Bill No. 70, An Act to amend The Teachers' Superannuation Act.

Bill No. 71, An Act to amend The County Courts Act.

Bill No. 72, An Act to amend The County Judges Act.

Bill No. 73, An Act to amend The Execution Act.

Bill No. 74, An Act to amend The Insurance Act.

Bill No. 75, An Act to amend The Land Titles Act.

Bill No. 76, An Act to amend The Magistrates Act, 1952.

Bill No. 77, An Act to amend The Mechanics' Lien Act.

Bill No. 78, An Act to amend The Parents' Maintenance Act, 1954.

Bill No. 79, An Act to amend The Registry Act.

Bill No. 80, An Act to amend The Power Commission Act.

Bill No. 81, An Act to amend The St. Lawrence Development Act, 1952 (No. 2).

Bill No. 82, An Act to amend The Corporations Information Act, 1953.

Bill No. 83, An Act to amend The Vital Statistics Act.

Bill No. 84, An Act to amend The Corporations Act, 1953.

Bill No. 85, An Act to amend The Cemeteries Act.

Bill No. 86, An Act to amend The Mining Act.

Bill No. 87, An Act to amend The Separate Schools Act.

Bill No. 88, An Act to amend The Training Schools Act.

Bill No. 89, An Act to amend The Homes for the Aged Act, 1955.

Bill No. 90, The Mothers' and Dependent Children's Allowances Act, 1957.

Bill No. 91, An Act to amend The Division Courts Act.

Bill No. 92, An Act to amend The Interpretation Act.

Bill No. 93, An Act to amend The Judicature Act.

Bill No. 94, An Act to amend The Probation Act.

Bill No. 95, An Act to amend The Law Society Act.

Bill No. 96, An Act to amend The Summary Convictions Act.

Bill No. 97, An Act to amend The Charities Accounting Act.

Bill No. 98, An Act to amend The Gasoline Tax Act.

Bill No. 99, An Act to amend The Teachers' Superannuation Act.

Bill No. 100, An Act to amend The Nursing Act, 1951.

Bill No. 101, An Act to amend The Municipal Act.

Bill No. 102, An Act to amend The Municipality of Metropolitan Toronto Act, 1953.

Bill No. 103, An Act to amend The Municipal Unconditional Grants Act, 1953.

Bill No. 104, An Act to amend The Fire Marshals Act.

Bill No. 105, An Act to amend The Old Age Assistance Act, 1951.

Bill No. 106, An Act to amend The Disabled Persons' Allowances Act, 1955.

Bill No. 107, An Act to amend The Blind Persons' Allowances Act, 1951.

Bill No. 108, An Act to amend The Highway Traffic Act.

Bill No. 109, An Act to amend The Conservation Authorities Act.

Bill No. 110, An Act to amend The Planning Act, 1955.

Bill No. 111, The Corporations Tax Act, 1957.

Bill No. 113, An Act to authorize an income tax rental agreement.

Bill No. 114, An Act to amend The Logging Tax Act.

Bill No. 115, An Act to amend The Motor Vehicle Fuel Tax Act, 1956.

Bill No. 116, An Act to amend The Public Lands Act.

Bill No. 117, An Act to amend The Surveys Act.

Bill No. 118, An Act to amend The Succession Duty Act.

Bill No. 119, An Act to amend The Mining Tax Act.

Bill No. 120, An Act to amend The Telephone Act, 1954.

Bill No. 121, An Act to amend The Dog Tax and Livestock Protection Act.

Bill No. 122, An Act to amend The Administration of Justice Expenses Act.

Bill No. 123, An Act to amend The Coroners Act.

Bill No. 124, An Act to amend The Crown Witnesses Act.

Bill No. 125, An Act to amend The Crown Attorneys Act.

Bill No. 126, An Act to amend The Sheriffs Act.

Bill No. 127, The Private Hospitals Act, 1957.

Bill No. 128, An Act to amend The Brucellosis Act, 1956.

Bill No. 129, An Act to amend The Junior Farmer Establishment Act, 1952.

Bill No. 130, An Act to amend The Farm Products Marketing Act.

Bill No. 131, An Act to amend The Local Improvement Act.

Bill No. 132, An Act to amend The Fire Guardians Act.

Bill No. 133, An Act to amend The Public Utilities Act.

Bill No. 134, An Act to amend The Municipal Subsidies Adjustment Act, 1953.

Bill No. 135, An Act to amend The Medical Act.

Bill No. 136, The Public Hospitals Act, 1957.

Bill No. 137, An Act to amend The Labour Relations Act.

Bill No. 138, An Act to amend The Industrial Standards Act.

Bill No. 139, An Act to amend The Factory, Shop and Office Building Act.

Bill No. 140, An Act to amend The Department of Labour Act.

Bill No. 141, An Act to amend The Operating Engineers Act, 1953.

Bill No. 142, An Act to amend The Municipal Drainage Act.

Bill No. 143, An Act to validate certain agreements entered into by the Hydro-Electric Power Commission of Ontario with certain Quebec power companies with respect to frequency standardization.

Bill No. 144, An Act to amend The Assessment Act.

Bill No. 145, An Act to amend The Mining Act.

Bill No. 146, An Act respecting part of the westerly boundary of the township of Faraday.

Bill No. 147, An Act to amend The Game and Fisheries Act.

Bill No. 148, An Act to amend The Public Vehicles Act.

Bill No. 149, An Act to amend The Public Commercial Vehicles Act.

Bill No. 150, An Act to amend The Housing Development Act.

Bill No. 151, An Act to amend The Child Welfare Act, 1954.

Bill No. 152, An Act to amend The Change of Name Act.

Bill No. 153, An Act to amend The Surrogate Courts Act.

Bill No. 154, An Act to amend The County Judges Act.

Bill No. 155, An Act to amend The Municipal Tax Assistance Act, 1952.

Bill No. 156, An Act to amend The Ontario Municipal Improvement Corporation Act.

Bill No. 157, An Act to amend The Ontario Fuel Board Act, 1954.

Bill No. 158, An Act to amend The Gas Pipe Lines Act, 1951.

Bill No. 159, An Act to amend The Financial Administration Act, 1954.

Bill No. 160, The Milk Industry Act, 1957.

Bill No. 161, An Act to reconstitute the Ontario Cancer Treatment and Research Foundation and the Ontario Cancer Institute.

Bill No. 162, An Act to amend The Statute Labour Act.

Bill No. 163, An Act to amend The Legislative Assembly Act.

Bill No. 164, The Ontario Water Resources Commission Act, 1957.

Bill No. 165, The Hospital Services Commission Act, 1957.

Bill No. 166, An Act to establish The Department of Transport.

Bill No. 167, An Act to amend The Liquor Licence Act.

Bill No. 168, An Act to amend The Liquor Control Act.

Bill No. 169, An Act to amend The Municipal Act.

Bill No. 170, An Act to amend The Ontario Municipal Board Act.

Bill No. 171, An Act to provide for the registration and regulation of children's boarding homes

Bill No. 172, An Act to amend The Public Health Act.

Bill No. 173, An Act to amend The Pharmacy Act, 1953.

Bill No. 174, An Act to amend The Municipality of Metropolitan Toronto Act, 1953.

Bill No. 175, An Act to authorize the raising of money on the credit of the consolidated revenue fund.

Bill No. 176, An Act to amend The Marriage Act.

Bill No. 177, An Act to amend The Municipal Act.

To these Acts the Royal assent was announced by the Clerk of the legislative assembly in the following words:

THE CLERK: In Her Majesty's name, the Honourable the Lieutenant-Governor doth assent to these bills.

MR. SPEAKER: May it please Your Honour:

We, Her Majesty's most dutiful and faithful subjects, the legislative assembly of the province of Ontario, in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and government, and humbly beg to present for Your Honour's acceptance a bill intituled, "An Act for granting to Her Majesty certain sums of money for the public service for the fiscal years

ending the 31st day of March, 1957, and the 31st day of March, 1958."

To this Act the Royal assent was announced by the Clerk of the legislative assembly in the following words:

CLERK OF THE HOUSE: The Honourable the Lieutenant-Governor doth thank Her Majesty's dutiful and loyal subjects, accept their benevolence and assent to this bill in Her Majesty's name.

His Honour was then pleased to deliver the following gracious speech:

HON. L. O. BREITHAUP (Lieutenant-Governor): Mr. Speaker and hon. members of the legislative assembly:

Before proroguing this third session of the twenty-fifth Parliament, it is fitting that I should express appreciation for your imaginative and thoughtful consideration of the many matters brought before you and your conscientious devotion to the affairs of this province. Each year brings its problems and, with the quickening tempo of our social and economic development, your duties are assuming increasing importance.

Besides the attention which you gave to the budget, the departmental estimates, the reports of the various committees and related subjects, you studied and gave approval to more than 175 bills, involving new Acts or amendments to Acts.

While the legislative and financial programme of this session has been very comprehensive, 7 features stand out above all others. These are:

1. The implementation of a 3-year programme to assist education.

2. An accelerated programme of assistance to municipalities, including a sweeping revision in the system of real property taxation.

3. The adoption of measures to make public hospital insurance universally available to all our people at one standard rate, regardless of occupation, age or health.

4. The extension of welfare benefits.

5. The adoption of an unprecedented programme of capital construction, involving highways, power and energy resources, and water and sewerage facilities, to assist and promote industrial growth and development and the creation of new employment opportunities.

6. The strengthening of the province's financial and credit position by imposing additional taxation, in consequence of the disappointing settlement on fiscal arrangements with the federal government.

7. Farm legislation of a most advanced type.

To meet the challenging demands of an ever-growing school population, you gave approval to a 3-year programme of assistance to elementary and secondary education entailing in the first stage, which commences with the fiscal year 1957-1958, an increase in provincial grants of nearly \$20 million.

This raises the total assistance to be paid local school boards to \$101 million—an amount that exceeds the total ordinary budget of the province for all purposes less than a decade and a half ago.

Beginning in 1958, the second stage of the province's educational programme, which will be based upon equalized municipal assessments, will be brought into operation.

With the growth in magnitude of these grants, considerations of equity dictate improved methods of distribution. An exhaustive study will be made of school finances to enable the province to shape its educational grants more in accordance with the developing needs of all municipalities.

The third stage, in 1959, will be devoted to making refinements and improvements in the school grants formula.

You also gave approval to various other measures designed to enhance the attractiveness of teaching in our schools and to assist our municipalities.

You again made a special contribution of \$1 million to the teachers' superannuation fund. Of even more lasting significance, you approved raising the province's contribution to the teachers' superannuation fund from 4 per cent. to 6 per cent. at an additional annual cost to the province of nearly \$4 million.

You again authorized increases in grants to universities to assist them in meeting their rising operating costs, and to enable them to prepare for the huge expansion of their enrolment which is foreordained. Nearly \$10 million was provided for the construction and acquisition of new university buildings and equipment, while grants for operating and maintenance purposes were increased by \$1.2 million to \$9.4 million. Thus, you approved grants to universities for 1957-1958 totalling \$19 million.

Other phases of the province's educational programme commanded your attention. You increased the assistance for public libraries and approved funds for operating the new teachers' college at Hamilton, constructing new teachers' colleges at New Toronto and London, and creating new facilities at the Lakehead College of Arts, Science and Technology at Port Arthur-Fort William and at the Ryerson Institute of Technology in Toronto.

Additional funds were also provided for the agricultural and veterinary colleges.

The many facets of this educational programme will involve a total expenditure on the part of the province in 1957-1958 of \$145 million, an increase of more than \$32 million over the preceding year.

Your consideration of the position of the municipalities, and the measures you have adopted to assist them, bear eloquent testimony to the true partnership arrangement that exists between the province and the municipalities.

Not only has the amount to be distributed in unconditional grants been increased from less than \$13 million to

\$21 million for the 1957-1958 fiscal year, but a sweeping revision has been effected in municipal taxation.

As the taxpayer who owns his own home is not able to treat his local tax as an expense for income tax purposes, as a business firm may do for corporation tax purposes, a new method was devised to concentrate the benefit of the province's unconditional grants on residential and farm property. This innovation will serve to stimulate home ownership and increase the number of dwellings available for rental. At the same time, it will give some relief to farm property, and thus assist the agricultural industry which has not been participating fully in the province's general prosperity.

In order that this new principle may apply in connection with provincially-owned property, an amendment was made to The Municipal Tax Assistance Act, 1952. This amendment provides that payments, in lieu of local taxes made by the province and by Crown agencies, will be computed at the rate applicable in each municipality to industrial and commercial assessments and not at that pertaining to residential and farm property.

You gave your approval to two other measures that will aid the municipalities. The first raises from 25 per cent. to 40 per cent. the province's contribution toward children's aid costs. The second increases from 50 per cent. to 60 per cent. the proportion borne by the province of municipal expenditures for direct relief.

As a result of these and other improvements in the provincial grants system, the amounts payable to municipalities, school boards and other local agencies will this year total \$214 million—an increase of \$34 million in the past year and \$55 million over the last two years.

The requirements of municipalities for new capital projects, such as schools, water works and sewage treatment plants, have not escaped your attention. To assist the municipalities in this financ-

ing, the borrowing power of the Ontario municipal improvement corporation has been raised from \$50 million to \$150 million.

An Act has been passed extending the powers of the Ontario water resources commission, while additional capital and operating appropriations have been made available in order that this essential work may proceed.

This many-sided programme demonstrates that you are keeping the position of the municipalities under continuing review, and that you will not be indifferent to their future needs.

Months of study and negotiation with the federal government have culminated in an event of far-reaching significance—undoubtedly the most notable advance in human betterment in our recent history. I refer to the passing of an enabling Act at this session, and the agreement in principle with the federal government, making public hospital insurance at the standard ward level, without limits as to the duration of stay, universally available to all persons normally resident in Ontario.

Plans are being made with a view to having the programme in operation by January 1, 1959. The basic hospital care requirements of our people, including those of individuals who are not now eligible under private plans, will then be met at a uniform rate available to all.

A vigorous programme is being undertaken to provide funds not only for the extension of the public general, chronic and convalescent hospitals, but for additional beds and more intensified treatment of patients in the Ontario hospitals for the mentally ill. New developments in the treatment of patients with mental disorders are bringing salutary results.

The government is constantly seeking and applying new scientific measures to maintain a healthy and well-adjusted population and to accelerate the restoration to normal, useful lives of persons who are mentally or physically handicapped. The same modern approach is also being applied in the operation of our reformatories and in our welfare services.

During this session, you approved legislation relating to cancer treatment and research. A new Act supersedes previously existing legislation and outlines the method of operation of the Ontario Cancer Treatment and Research Foundation and the Ontario Cancer Institute. Through these organizations an intensive search will be made into the causes of cancer and the best methods of treating it. The people of Ontario will have one of the best equipped and staffed cancer hospitals anywhere.

Continuing the advance of past years, further improvements have been made in the province's welfare programme. Under the new Mothers' and Dependent Children's Allowances Act, payments will be made on a cost of maintenance basis rather than on a flat rate as under the former Act.

The two-year waiting period before an allowance would be paid for the children of unmarried mothers has been removed, and benefits extended to all needy divorced mothers.

Dental care and treatment will be made available to all children under 18 years who are sons and daughters of social assistance cases.

You approved legislation authorizing the province to participate with the federal government in paying increased allowances and pensions under The Old Age Assistance Act, The Disabled Persons' Allowances Act and The Blind Persons' Allowances Act. Additional funds were provided for increasing the number of homes for the aged, which serve to remove the pressure on our public general hospitals.

The Marriage Act was amended to make it clear that Indians may or may not, at their own discretion, take advantage of its licencing provisions.

The people of Ontario have reason for gratification in the rapid pace of their development and the continued high levels of employment and income.

But these conditions amplify the demands for provincial and municipal services of all kinds. Population cannot grow, nor industry expand, unless they

are assured of adequate highways and roads, electric power and energy, schools, hospitals, adequate water and sewerage works, and those many other indispensable services which are constitutionally, logically and economically the spheres of provincial and municipal jurisdiction.

Properly, these services fall within the orbit of the province and its municipalities. In these fields they have the experience, the skill, and the intimate knowledge of local conditions that are essential to efficient administration. They must, therefore, be a positive force, expanding their services to meet the needs that are inextricably related to population and industrial growth.

To meet these pressing demands, you have deliberated upon and authorized a capital construction programme that far exceeds that of past years. For instance, the appropriation for highways and roads totals \$232 million, including \$53 million to be paid to the municipalities to assist them in the building of roads and thoroughfares.

Highway safety and administration, motor vehicle licencing and related matters have been the subject of your deliberations. To deal with many of these problems, The Department of Transport has been established. Amendments to The Highway Traffic Act provide for an extensive revision of driving regulations.

Provision is being made for the levying of a fee of \$5 with respect to motor vehicles on which insurance has not been obtained, while the limits on claims that may be made on the unsatisfied judgment fund have been raised from \$5,000 to \$10,000 on one-person claims and from \$10,000 to \$20,000 in the case of claims made for two or more persons.

Conservation and resource development continue to be a focus of attention. Flood control, reforestation, irrigation, farm planning, resource protection and conservation education constitute important sectors of the work of the 20 conservation authorities that have now been formed.

Ways and means of improving the position of agriculture have been given close study and consideration. Following the decision handed down by the Supreme Court of Canada, amendments to The Farm Marketing Act have been made which will serve to clarify existing legislation and make provincial marketing plans more effective.

New enactments were approved under The Milk Industry Act whereby two boards that have been dealing with different phases of the milk industry will be amalgamated with a view to securing greater efficiency.

Under the province's programme of assistance, further extensions and improvements will be made to electric power lines in rural areas. The work of the Ontario telephone authority is also being continued and expanded.

Increased appropriations were authorized for The Department of Lands and Forests and The Department of Mines. Among the amendments to legislation relating to our natural resources was the revision of The Mining Act designed to safeguard surface rights in the general interests of both forestry and mining operations.

As stated in my remarks at the opening of this session, the federal government's failure to face up realistically to the changing pattern of provincial and municipal requirements in this great tax-earning and rapidly growing province has made our task infinitely more difficult. Reference was made to the shortage of capital funds for investment and the rise in interest rates that are aggravating our problem. It was pointed out that if the province and its municipalities were to proceed and provide the services that our people and industry require, additional revenue would have to be obtained.

A full explanation was given to the House of Ontario's dissatisfaction with the fiscal arrangements the federal government was prepared to offer. They have not yet grasped the problems with which we are confronted.

In these circumstances, Ontario had no alternative but to make a number of

moderate tax increases — the first in the 13 years since this government took office.

Such increases have been designed to strengthen the financial and credit position of the province so that it may not only meet the demands for its own services but provide additional assistance therefore made to The Gasoline Tax Act; The Motor Vehicle Fuel Tax Act, 1956; The Logging Tax Act; The Mining Tax Act; and The Fire Marshals Act. A new Corporations Tax Act was passed.

Legislation was passed empowering Ontario to enter into an agreement with the federal government for the rental of its personal income tax rights.

Many other matters — too numerous to mention here — called for legislative amendment and reform.

I wish to thank the hon. members who have served on the various legislative committees. They have brought to the committees, abilities and points of view which have been invaluable. The two select committees — one on air pollution and smoke control and the other on toll roads and highway financing — have completed their reports and presented them to the Legislature. A new select committee has been ap-

pointed to examine and report on all aspects of The Labour Relations Act.

Gratitude is expressed to the public servants of Ontario for the faithful discharge of their duties and responsibilities.

No more comprehensive programme has ever been dealt with by the hon. members of this Legislature. It affords greatly increased assistance to municipalities and special relief to home owners and farmers. Steps to strengthen our private enterprise system were blended with measures to improve standards of education and health and the general well being of our people. In the accomplishments of this session are to be found many reasons for satisfaction.

I pray that Divine Providence will guide you and bless you.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker and gentlemen of the legislative assembly: it is the will and pleasure of the Honourable the Lieutenant-Governor that this legislative assembly be prorogued, and this legislative assembly is accordingly prorogued.

The House prorogued at 4.10 of the clock p.m.

JOURNALS AND PROCEDURAL RESEARCH BRANCH
DIRECTION DES JOURNAUX ET DES RECHERCHES EN PROCEDURE
ROOM 1640, WHITNEY BLOCK
QUEEN'S PARK, TORONTO, ON M7A 1A2

